

Domestic sales jump 17 pct., imports set record for 1984

By Jenny L. King
Detroit Reporter

Though the torrid sales pace cooled considerably the last several months of the year, domestic and import auto makers cannot help but regard 1984 as a successful 12 months. It was a record year for many and a very good one for most others.

Domestic sales, with gains every month, arrived at the Dec. 31 finish line with a total that was 17.01 percent ahead of 1983's. The imports sailed to a record total, powered by four record months that included each of those in the final quarter.

Import sales were up 2.41 percent compared with the preceding calendar year and pulled the total industry's advantage down to 13.22 percent from the 17.01 notched by the domestics.

Import penetration continued to

shrink, dipping to 23.48 percent from 25.96 percent in 1983, and down from 27.84 percent in 1982.

Totals for the six major U.S.

A quick rundown of rising market

U.S. new-car sales for 1984 totaled 10,391,775 and included 7,951,517 domestics and a record 2,440,258 imports. The total was up 13.22 percent from 9,178,101 in 1983, when 6,795,302 domestics and 2,382,799 imports were delivered.

The industry record, set in 1973, was 11,427,478. Best domestics year also was 1973 when sales reached 9,669,689. The previous imports record was 2,395,036 notched in 1980.

Import penetration dropped to 23.48 percent in 1984 from 25.96 percent in 1983. Record penetration was 27.84 percent in 1982.

auto makers reached 7,951,517 in 1984, best year for the domestics since the 8,315,622 reported in 1979 and up 17.01 percent from 6,795,302 in 1983. The calendar year record for the industry was etched back in 1973 when 9,669,689 new passenger cars were delivered. Second best was the 9,307,998 reported in 1978.

The import record total of 2,440,258 was up 2.41 percent from 2,382,799 a year earlier and was some 45,000 units ahead of the previous yearly record of 2,395,036 set in 1980.

Grand total for the industry was 10,391,775, up 13.22 percent from 9,178,101 in 1983 and best since 1979 when the final figure was 10,641,099.

Ford Motor Co. reported the largest year-to-year sales gain among the larger U.S. makers with a 25.97-percent increase. Ford sales totaled 1,979,317 in 1984 compared with 1,571,321 the preceding year.

Chrysler Corp.'s 17.27-percent increase was next best, followed by a 13.17-percent gain at General Motors. Chrysler passenger-car sales totaled 986,998 in 1984 compared with 841,622 in 1983. GM's total was 4,587,508 domestics, up from 4,053,561 a year earlier.

Of the smaller makers, Honda had the most spectacular year in 1984, its sales of U.S.-built cars more than doubling to 133,601 from 50,402. American Motors' final number was stunted by its diminishing AMC line, which was down 56.21 percent for the year with Renault Alliance/Encore up just 16.01 percent. AMC reported a grand total of 190,255 units, off 1.60 percent from 193,351 a year earlier.

Volkswagen, which sold more than 170,000 U.S.-built Rabbits in 1980, watched its fortunes continue to sour in 1984. VW sales were down 13.18 percent, to 73,838 from 85,045 in 1983.

GM retained the largest segment of the domestic market in 1984, but its share was down nearly two percentage points in favor of Ford, Chrysler and Honda. GM sales accounted for 57.70 percent, down from 59.65 percent. Ford earned 24.89 percent, up from 23.12 percent; Chrysler claimed 12.41 percent, up from 12.39 percent, and Honda expanded to 1.68 percent from 0.74 percent.

AMC dipped to 2.39 percent of the domestic market from 2.85 percent and VW was down to 0.93 percent from 1.25 percent.

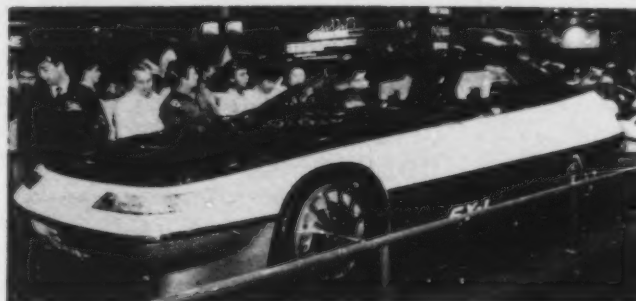
Buick and Oldsmobile announced record sales for 1984, with each division celebrating its second consecutive record year. Buick was

Continued on Page 80, Col. 1



For a sleek, slick commute

Premiering at the Greater Los Angeles Auto Show was this four-seat concept car from Isuzu, the CO-A (Capsule Open Air). Designed as a commuter car, the CO-A features a targa top, a video screen, a laser compact disk player and a state-of-the-art audio system.



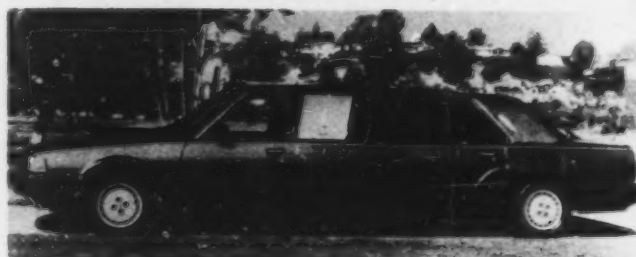
Toyota twin-turbo six show car

A Toyota prototype, the FX-I, showed up last week at the opening of the Greater Los Angeles Auto Show. It is powered by a twin-turbocharged six and is heavily laden with the latest in electronic technology.



Bitter shows off 4-door

This sedan, Bitter's first four-door, was put on display last week at the Greater Los Angeles Auto Show. The luxury auto was designed and built in Germany.



For Honda honchos

This Honda Accord LX has undergone a 52-inch stretch by Marquis Custom Coach and was on display at the Greater Los Angeles Auto Show. The rear doors have been widened to 49 inches. Amenities include a velour interior, color television, AM/FM tape stereo and an electric moonroof.

GM relaxing rules on franchise holding

By Marjorie Sorge
Labor Editor

General Motors dealers will be able to be the dealer-operator of more than one GM dealership within the next month, according to GM President F. James McDonald.

A decision on how many franchises a dealer may hold will be made in the very near future, according to James Vorhes, GM vice president, Customer Sales and Service Staff, and the dealers will be notified immediately.

The change in policy was made so GM dealers can have a franchise for the Saturn and not have to give up their current GM store to get it, Vorhes said. The Saturn car, which will probably be a 1989 model, will likely be sold at a separate facility and require a separate franchise, according to McDonald.

Currently, GM dealers are allowed to hold one franchise and have as much as 49-percent interest in nine others, after 10 years. The initial investment in a new deal can be up to 85 percent.

Dealers, who expected the policy change, hailed the move. They have been urging the change for years.

"The Chevrolet dealers' council has supported it and brought it forth," said Dan Boone, Dan Boone Chevrolet, Houston, a member of the council. He added he'd like to see GM's policies eased even further.

The strict policy is one reason so many dealers have added an import line, and he partly blames GM's restrictive policy for climbing import penetration.

"If they had done this 15 years ago or so, we'd still have the Big Three instead of the Big Eight," said Boone, who also owns a Mitsubishi dealership.

Greg Sutcliffe, Sutcliffe Chevrolet, Harrisburg, Pa., said he was encouraged by GM's policy change.

"If a Toyota dealer can hold more than one franchise, there is no reason why a GM dealer cannot, too," he said.

According to Vorhes, the new franchising system will still allow dealers to invest in nine other franchises. The difference will be that they will be able to be the

owner/operator of more than one.

"We're looking at Saturn as plus business for General Motors, and we need all the existing franchises that we have, and Chevrolet, Pontiac, Buick, Cadillac and Oldsmobile are going to remain just as strong and stronger," McDonald said.

According to Vorhes, the new franchising system has no effect on current dual deals.

McDonald met with representatives of the GM dealer body and NADA last week to get their input into the criteria needed to assign dealers the Saturn franchises.

"We have not worked out all the details on what a separate franchise is or what a separate agreement is," McDonald said. "but it would probably require separate facilities. We did say the General Motors dealers would be the preferred applicants, that we have not determined the number, we have not determined the timing of appointments, nor have we established the criteria for the selection of those dealers."

While the bulk of the Saturn cars will be going to current GM dealers there will be an opportunity for exclusive Saturn deals, Vorhes said.

"We want a world-class dealer organization selling Saturn," he said. "To sell Saturn you must be the best."

Dealers getting Saturn will likely be required to set up separate facilities, although that has yet to be finalized, Vorhes said. That could include a separate showroom and sales force with a common service area in the existing dealership, he said.

Vorhes said GM expects most dealers will be large enough and financially able to put up a new building to sell Saturn. However, he said GM's Motors Holding Division will be available to dealers who need help.

According to Smith, the Saturn dealers will be selling whatever the corporation produces, but, he said it is possible that Sanchez could negotiate with the BOC Group for example and buy a car from them.

There is also a lot of interest in selling the cars in shopping malls, Vorhes said, and GM expects to

Continued on Page 80, Col. 1

Show cars also on stage

L.A. hosts new cars' U.S. debut

By Matt De Lorenzo
Staff Correspondent

LOS ANGELES.—A number of new cars, ranging in price from Toyota's \$10,999 MR2 to Rolls-Royce's \$185,000 limousine, made their U.S. debut during the Greater Los Angeles Auto Show last week.

Sharing the stage with those two entries were Ferrari's Testarossa, Ford's Aerostar van and Merkur XR4Ti, Bitter's four-door sedan, Oldsmobile's Calais Indy Pace Car and specialty cars such as a 52-inch stretch Honda

Accord LX limousine.

Several other show cars were also presented to the U.S. public for the first time.

Toyota displayed its futuristic FX-1 prototype, Ford showed the Ghia-built Vignale Mustang, Chrysler's Pacifica Design presented its A-45 concept vehicle, while AMC-Jeep had two versions of its Wagoneer/Cherokee sport-utility vehicles specially prepared by Molly Design.

The four-door Wagoneer was raised several inches, a new dash

with full instrumentation was installed and the vehicle was painted a desert gray with navy blue accent striping.

The two-door Cherokee was presented in a sportier vein, painted in a Ferrari red and equipped with a kid-glove leather interior and Nardi sport steering wheel.

At the AMC-Jeep-Renault stand, Dean Greb, Western sales manager for the company, announced that it was continuing

Continued on Page 80, Col. 4

They thought it was theirs

Chevy dealers miffed by Saturn franchise

By Michelle Krebs
and Jake Kaldeman
Of the Automotive News Staff

General Motors' announcement requiring dealers to have a separate franchise to sell its new Saturn model caught dealers by surprise, and it was not a particularly pleasant surprise for Chevrolet dealers who had counted on selling the Saturn.

With GM's announcement last week that it was establishing a new corporation, Saturn Corp., the auto maker said dealers would have to apply for a Saturn franchise and a separate facility would be required.

The details regarding the new franchise remain hazy.

"What we want to do is build a ladder with a clean-sheet approach just like we did with the automobile, the engineering and the manufacturing," said GM Chairman Roger B. Smith. "We want to get the product to the market the way the market wants to be served."

GM President F. James McDonald said GM wanted "new

and unique marketing concepts" applied to the Saturn. He added that GM had not determined the number of Saturn dealers to be appointed, the timing of the appointments nor the criteria upon which they would be selected.

"We have not worked out all the details on what a separate franchise is or what a separate agreement is, but it would probably require separate facilities," McDonald said. "We did say the General Motors dealers would be the preferred applicants."

NADA sources indicated that whatever GM does with Saturn in terms of sales and distribution will have repercussions for the entire franchise system.

"When you start with a 'clean sheet,' anything is possible," said a high-ranking NADA officer.

Dealer protection laws protect only existing dealers, the NADA official noted. Since Saturn will be a new corporation, so, too, will be the franchise agreement.

Among the possibilities

suggested by other dealer sources was an agreement whereby the title would not transfer to the dealer and pricing authority would remain with the manufacturer. Such an approach, sources said, would allow Saturn to deal with the major complaints consumers have with the car-buying process—negotiation over the price of a car and the "gouging" that goes on with popular models.

Porsche tried a similar approach last year, but was forced to back down, sources said, because it had to work with its existing dealer network. Under Saturn, GM would not have that problem.

Some Chevrolet dealers, particularly those who sell

Continued on Page 18, Col. 1

\$60 million to \$100 million predicted

Huge ad budget seen for Saturn

By Joseph Behn
Marketing Editor

WARREN, Mich.—General Motors' new Saturn car line will ultimately compete with Chevrolet and Pontiac small cars, but the effort is geared to plus business.

GM is looking for at least 45 percent of the small-car market, and more than the million small-car sales frequently described as its goal.

And its creation of the new Saturn Corp. subsidiary to build and market a new line of two-door and four-door models and other future lines will create a \$60 million to \$100 million advertising plum, media experts say.

Saturn's relationship with its agency (when chosen) is tied in with a current GM-McKinsey & Co. study on improving ad efficiency, a study that will have an effect on other GM divisional agency relationships as well.

These are just a few of the marketing ramifications of Saturn, GM's effort to build and market domestic small cars that are fully competitive with Japanese autos from a cost and quality standpoint.

Lloyd E. Reuss, group executive of the Chevrolet-Pontiac-GM of Canada Group, said none of the forward products planned for Chevrolet and Pontiac over the next five years have been trimmed as a result of Saturn.

"We have to provide products for the Chevrolet dealer body that cover the entire market and it's the same at Pontiac," Reuss said.



From American Custom Coachworks

American Custom Coachworks, Ltd., Beverly Hills, Calif., plans to produce 150-200 Lincoln Touring Limousines which will wholesale to Lincoln dealers for \$31,000. Suggested retail price is \$41,500.

Sanchez for Saturn—a unanimous choice

By Marjorie Sorge
Labor Editor

Joseph J. Sanchez, 54, was the unanimous pick of everybody at General Motors for the job as president of the new Saturn Corp. Roger Smith said so, and he should know.

Sanchez was general manager of Oldsmobile where he developed a good rapport with the UAW on the GM20 project, a skill that will be needed in the new subsidiary where the company and the union are to work as one.

Sanchez was given a lot of latitude in running Oldsmobile, which has set sales records the last two years.

"At the risk of embarrassing Joe, I don't want to tell you all of his superior qualities," Smith said when making the announcement. "But I will say that you should look at where Joe has been, a lot of overseas work down in Uruguay and Brazil where he struggled with a small independent company and made it grow."

Sanchez, who speaks Spanish,

is a native of New York City and received his bachelor's degree from City College of New York. He began his overseas work for GM in 1960 as a field sales representative in Santiago, Chile.

In 1964, he became a zone manager for GM Overseas Distribution Corp., based in Panama. He moved to Caracas as vehicle sales manager of General Motors de Venezuela in 1965 and was named managing director of General Motors Uruguay in 1966.

He became director of sales for General Motors Argentina in 1972 and was named managing director later that year. He returned to Uruguay in 1974 as regional manager for GMOC, became managing director of General Motors do Brasil in 1976 and was also responsible for GM Uruguay from 1980 until he went to Oldsmobile in 1983.

He became a GM vice president in 1979 and will retain that title.

Sanchez will be assisted by Reid Rundell, formerly executive director of the Saturn project, who will now be executive vice president for strategic business planning at Saturn Corp.

There are also four Saturn vice presidents:

John Middlebrook, vice president for sales, service and marketing.

Tom Manoff, vice president, finance.

Jay Wetzel, vice president, engineering.

Guy Briggs, vice president, manufacturing operations.

"I am excited about this because it is a chance to do it differently," Sanchez said. "I don't want to say if we fail, everybody does because somebody else can maybe do it better. But you have to admit that this is the correct way of approaching a problem. Set it up separately so you can clearly define responsibility."

"If we go under, you have got one minority member here who is going to retire early. If I retire at 57, you'll know I'm in trouble."



Joseph J. Sanchez

the last two years.

index

Auction reports	46, 47
Book reviews	20
Classified advertising	48
Editorial page	10
Obituaries	57
Personnel	22
Production by makes	62
Registrations, car	42
Truck highlights	16

60th year—No. 5057

AUTOMOTIVE NEWS (ISSN 0005-1561) is published weekly except semiannually the fourth week in April at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Nancy's gift to Ronnie is a Ford Ranger

WASHINGTON.—Nancy Reagan's belated Christmas present to her husband, President Ronald Reagan, is a canyon red Ford Ranger 4x4.

The dealer was Jim Click, Irvine, Calif. No special arrangements were made by Ford Motor Co. for the long-bed truck which has a 2.8-liter engine, AM/FM stereo and a 5-speed manual transmission.

A massive voice-and-data communications system

EDS eying GM 'phone company'

By Dan McCosh
Detroit Reporter

EDS Corp., General Motors' recently acquired data-processing subsidiary, is working on a massive voice-and-data communications system that one insider dubs "GM's own phone company."

It is expected to displace a significant portion of the auto maker's current commercially leased communications services.

GM previously indicated it would utilize EDS to build an integrated, companywide data-processing system to bring harmony to GM's internal data communications that have been developed by various departments through the years.

The comprehensive program now being developed by EDS includes voice, data and video communication links, according to EDS Senior Vice President Kenneth G. Riedlinger, who is in

charge of the program.

GM expects to utilize about one-half of the comprehensive new system. The remainder will be used internally by EDS and other portions will be made available to outside customers.

"It's not budgeted at anything, but \$500 million would be a starting point," Riedlinger said. Communications analysts say the investment would rank the system among the largest such private networks developed so far.

The emphasis at EDS on developing communications lines, going well beyond organizing GM's data-processing departments, is a logical next step, Riedlinger said. "Half of the task is how to get information from one place to another in the most effective way," he said.

"I wouldn't call it a phone company—it's more data than voice," Riedlinger said. He also distin-

guished the EDS system from so-called "bypass" telephone systems being adopted by some major corporations that directly link a company to long-distance lines without using local phone companies—although voice communication would be an integral part of the system.

For EDS, Riedlinger envisions a complex mixture of communications lines, including satellite, land lines, microwave, coaxial cable and fiber optics. The system is being designed from scratch by EDS, but some portions be purchased outright and others will be leased from outside sources.

"There are a lot of people building pipes out there without any water in them," Riedlinger said.

By developing its own multi-purpose internal communications network, GM is following a trend

Detroit media experts say GM will have to spend heavily in the beginning to launch Saturn—not only because it is a new entity, with little consumer awareness, but also to build its credibility as a small-car marketer.

They feel that Chevrolet's reputation as a subcompact car marketer, for example, hasn't been all that good.

"They'll have to spend between \$150 and \$200 per unit" in advertising, said a longtime media expert. "That's kind of high for GM" which typically spends

Continued on Page 18, Col. 4

January 14, 1985

ECONOMIC FORECAST 1985

When is the boom ending? It's a toss-up

By Michelle Krebs
Financial Editor

Chief economists for the Big Three auto companies predict 1985 will be another good year for the auto industry and the U.S. economy in general, but prosperous years beyond this one hinge on progress being made in reducing the federal deficit.

General Motors expects 1985 sales to exceed last year's by as much as a half million units. Ford Motor Co. anticipates vehicle sales will be the same or somewhat better than in 1984. Chrysler Corp. predicts they will be the same.

GM is the most optimistic about sales. Total motor vehicle sales will be 15 million this year, GM says. That would make it the second best calendar year in U.S. automotive history and would mark only the second time the 15-million unit barrier was broken. Of the 15 million units, 10.7 million passenger cars and 4.3 million trucks will be sold, according to GM's forecast.

Ford expects 1985 sales may be slightly higher at 14.7 million total units, of which 10.5 million will be passenger cars and 4.2 million will be trucks.

Chrysler sees the same total number as 1984 at 14.5 million, though the mix will be slightly different. Chrysler's forecast for 1985 shows sales of 10.5 million passenger cars and 4.0 trucks compared with 10.3 million cars and 4.2 trucks last year.

Chrysler corporate economist Donald P. Hilty notes that day supply of cars has been running 15 to 18 percent below normal, but he expects that to change this year as U.S. production gears up and import restraints on Japanese automobiles are lifted or liberalized in the spring. In addition, no strikes such as those by U.S. and Canadian UAW members against GM last fall, which cut into third-quarter production, are expected.

Because of supply constraints, Hilty says emphasis was placed on trucks in 1984 and incentives were offered. He anticipates incentives will be off this year and truer demand for cars, at 10.5 million units for the year, will be represented. In addition, he maintains strong pent-up demand from the recession has not been absorbed, and postponed purchases will spill over into 1985.

All three auto company econo-

Continued on Page E-2

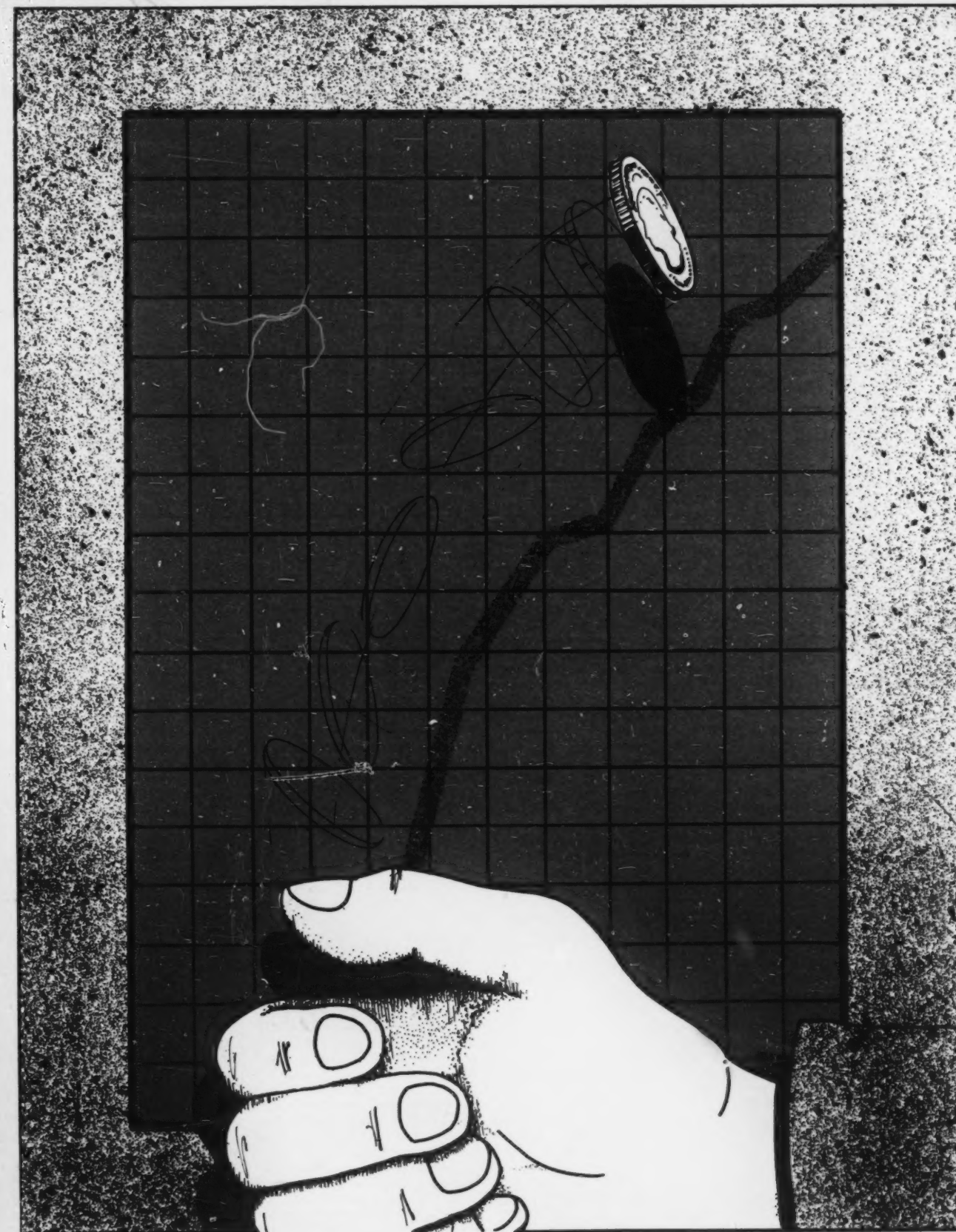


Illustration by Jeff Dworin

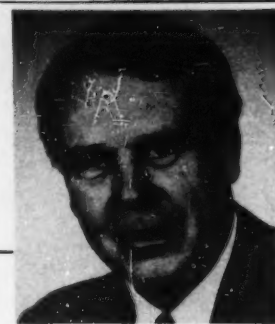
1985 Economic Predictions



Marina v. N. Whitman
General Motors



John V. Deaver
Ford Motor Co.



Donald P. Hilty
Chrysler

	Marina v. N. Whitman General Motors	John V. Deaver Ford Motor Co.	Donald P. Hilty Chrysler
Total Motor Vehicle Sales	15 million	14.7 million	14.5 million
Passenger Car Sales	10.7 million	10.5 million	10.5 million
Truck Sales	4.3 million	4.2 million	4.0 million
U.S. Economic Growth measured by the GNP	3% or just under (pick up after first quarter)	1.5-3% Slow growth first half (1-2%); Pick up in the second half (2-4%)	3%
Inflation measured by the Consumer Price Index	5%	5%	4.7%
Interest Rates	Drop in early 85; move upward by end of first half	Drop in first half; move upward near year-end	Drop early in 85; move upward later in year
Unemployment Rate	7.4% same as in 84	7.4% same as in 84	7.4 % same as in 84
U.S. Dollar	No more appreciation, perhaps beginning of depreciation	Perhaps modest decline	Remain strong
Consumer Attitudes	Remain strong	Remain strong	Remain strong

Toss-up

Continued from Page E-1

mists see the U.S. economy continuing to grow but at a significantly lower rate than in 1984. The gross national product (GNP) is expected, by all three economists, to be three percent or less in 1985. Growth will be slow in the first half of this year, picking up in the second half, they predict.

"The U.S. economy will have another year of expansion typical in this year of recovery, but at a significantly lower rate of growth, particularly compared to growth in the first half of last year," says Marina v.N. Whitman, GM chief economist. "No one expected that kind of growth to be sustained."

An economic slowdown isn't necessarily bad. As many predicted would happen in 1984—but didn't happen—continuous breakneck growth would supposedly refuel inflation, trigger higher interest rates and ultimately prompt a recession, which would be more severe than a recession in a more stable economy.

Whitman says 1985 "will be a more sustainable pattern." She adds that growth will pick up after the first quarter.

"Overall, we expect the economy to grow more slowly, but car sales to be about the same or even a little better," says John Deaver, chief economist and economics director at Ford. "We're coming off a period of rapid growth, and

the improvement in sales in the year are the results of earlier years. The lag effect is from the rapid growth in 1983 and early 1984.

"But the momentum will carry over to 1985," he adds, noting 1984 car sales were depressed by 200,000 to 300,000 units because of capacity constraints and production interruptions created by the GM strikes.

Ford's forecast shows no capacity constraints this year, with the economy weakening. Deaver says GNP will be at the 1.5 to three percent rate. Growth in the first half will be slow at one to two percent, picking up in the second half at two to four percent. The slow first half is a carryover from the second half of 1984.

"We are in the middle of a mini-inventory cycle that should be finished and reversed by mid-1985," Ford's Deaver says. "We are undergoing, and have been since last summer, an enormous slowdown relating to inventories." The result has been slower retail sales and a build-up in inventories. Retailers have cut back orders, but inventories still have not declined because, as production has been cut back, so has consumer employment, he says.

"When inventories adjust to normal levels and with the lower interest rates we expect to continue, it will set the stage for better growth," Deaver adds. "At that time, investment in inventory will resume and consumer confidence will build."

Hilty sees the slow third quarter in 1984 as a "fluke," prompted by the GM strike and U.S. tourists traveling abroad because of the strong dollar. Those tourists spent their money on travel rather than on durable goods, Hilty theorizes. He forecasts another good year in 1985 with continued improvement in business conditions.

According to all three economists, inflation will be held in check, helping business conditions. As measured by the Consumer Price Index, inflation should be five percent or under after coming in at about 4.5 percent for 1984, they believe. "We don't expect inflation to misbehave," GM's Whitman says.

She expects there may be further softening of energy prices in the first half, and any increase in consumer prices will be modest.

All three see interest rates dipping again in 1985. The prime rate closed the year at 10.75 percent, after dropping one-fourth point in December.

"Interest rates will remain at quite a low rate through the first quarter as the growth rate remains low," Whitman says. "Interest rates may see some further decline for the near-term, but at some point in 1985 there will be some upward movement, probably by the end of the first half, as the growth rate picks up after the first quarter."

Ford's forecast is similar, placing the increase nearer year-end. However, Deaver says rates at the end of 1985 will be no higher than

rates at the end of 1984.

Chrysler's forecast for interest rates is similar.

On the negative side, no one sees progress being made in unemployment. No change in the unemployment rate is included in any of the forecasts.

Also, the U.S. dollar is expected to remain strong. Whitman and Deaver are cautious but hopeful that some depreciation will occur in 1985. The strong dollar has made the U.S. favorable for imports—particularly European prestige-car builders—placing domestic auto companies at a competitive pricing disadvantage.

Deaver's forecast calls for a modest dollar decline, though he isn't counting on it and wouldn't be surprised if it became stronger. GM's forecast indicates no more appreciation and perhaps the beginning signs of depreciation. Chrysler anticipates it will continue at the same strong levels.

Whitman says the U.S. must set a goal of reducing its trade deficit, which she predicts will be somewhat higher this year than last. Despite the negative elements, the continued strong economic factors translate into high consumer confidence, which was running at record levels during 1984.

"Consumer sentiment should remain strong," says Whitman. "The consumer now is in good shape and sees himself as such. We have some decline from the peak levels of 1984, but disposable income and consumer debt are at good levels and are per-

ceived as such."

Chrysler's Hilty notes personal disposable income, which he sees rising five percent during the year, should heighten consumer optimism.

Whitman adds: "If the economy behaves as we expect it to, with growth slow in the first quarter and starting up in the second and inflation under control, the consumer should continue to respond positively."

The consumer, she says, doesn't worry about the federal deficit, but rather is concerned with the response of the credit markets. The credit markets do respond to actions—or the lack thereof—taken in reducing the federal deficit. The markets have been relatively stable, anticipating more action will be taken.

Hilty says that of the 10 leading indicators he watches for the auto industry, seven have green lights, only two signal red and one blinks yellow caution. The red signal flashes over work-week length and, subsequently, over the unemployment indicator.

"The work week is the shortest length it has been in sometime," Hilty says, noting that a lower work-week reflects cutbacks in overtime which cause a dip in disposable personal income over the long run and may trigger unemployment. In fact, he says, unemployment has been edging upward.

The sign for the stock market, green until recently, now has

Continued on Page E-4

Toss-up

Continued from Page E-2

turned yellow, Hilty says. Though the stock market decline appears to have bottomed out, the market is remaining cautious about progress on the federal deficit, he believes.

All three auto company economists say they will monitor what happens regarding the deficit, and they express concern about progress being made in 1985.

"If progress is not made by the end of 1985, the effects will be felt in 1986," says Whitman. While she remains hopeful something will be done, she stresses the need for action is critical.

"I just hope in the process of tax reform and deficit reduction, they won't lose sight of the spending side," she says, adding that Treasury Secretary Donald Regan's tax reform proposal is worthy of serious consideration.

"In '85 we will be watching

what is done on taxes, but anything that happens in 1985 is not expected to affect car sales volumes," says Deaver. "There is not much beyond what's already in the works that will affect car and truck sales. Monetary policy changes and new efforts to reduce the deficit will be important to sales in 1986 and after."

Chrysler's Hilty will watch for status changes in the economic indicators he uses for the auto industry. The key indicators, he says, will be consumer attitudes and interest rates, both of which are tied to the federal deficit and the trade deficit.

"Interest rates will reflect the concern for the federal deficit and the trade deficit," he says. "We expect to see nothing done in the first half of 1985. We expect no change in the structure of tax rates, no change in the tax laws by the end of the year, though we may see some change in federal spending."

Just how good will 1985 be?

Vehicle sales forecasts differ by up to 1.5 million units

By Michelle Krebs
Financial Editor

Analysts are forecasting another good sales year for the auto industry in 1985, though there is great divergence of opinion concerning just how good it will be.

Analysts from forecasting firms, brokerage houses and banks surveyed by Automotive News collectively were almost on the nose in assessing sales for calendar 1984. Their composite forecast for the year put total vehicle sales at 14.5 million units including 10.6 million cars and 3.9 million trucks. The analysts' individual forecasts were within 700,000 units of each other for last year.

Analysts agreed 1984 sales figures could have been even better had it not been for capacity con-

straints of domestic auto companies, production interruptions caused by strikes against General Motors and import restraints on Japanese automobiles.

However, forecasts for total motor vehicle sales in 1985 vary by as much as 1.5 million units. Predictions range from a low of 14.0 million total vehicles to a high of 15.5 million.

Generally, analyst forecasts for the overall economy in 1985 include: strong growth but at a slower pace than 1984—perhaps three to 3.5 percent gross national product; a drop in interest rates followed by an upswing by the middle or end of the year; stable and perhaps even declining gasoline prices; and continued lower inflation.

They do not agree on direct-

ions of unemployment and disposable personal income. Some say unemployment may rise, others say it will drop, and most expect it to remain unchanged from 1984. Disposable personal income, a key factor in auto sales, will grow significantly, some say, while others see a decline.

As for 1985 vehicle sales, Arvid Jouppi, of Arvid Jouppi Associates, Detroit, is the most optimistic of those surveyed by Automotive News. He forecasts total vehicle sales of 15.5 million units this year. Car sales will be 12.0 million units and trucks will be at 3.5 million, he says.

Jouppi's forecast also shows the lowest share for imports at 2.5 million units, giving domestic makers sales of 9.5 million. The other analysts expect imports to rise from 1984's 2.4 million units to 2.7 million or 2.8 million units. They expect voluntary import restraints to be lifted or liberalized, but Japanese auto makers to show self-restraint in the number of cars they ship to the U.S.

Jouppi's forecast is based largely on the aging of the U.S. fleet, increased demand for lower-priced cars, and a shortage of late-model used cars for replacement vehicles or lower-priced alternatives to new cars. "We are optimistic," Jouppi says. "We feel the auto industry has a makeup job to do."

Jouppi's overall economic forecast is positive—growth but at a slower pace, low inflation, stable interest rates, wages which have held the line, and only moderate increases in car prices.

At the other end of the spectrum is Thomas O'Grady of Chase Econometrics. He looks for total vehicle sales to be 14.0 million units for the year with 10.3 million cars (imports taking 2.7 million) and trucks at 3.7 million.

"There are some things going on in the economy that need to be looked at more closely," he says. "The weakening of the economy in the third quarter has been written off by some as caused by the GM strikes, but actually it started in late summer, before the strikes. Then the continued weakness through the third quarter was explained away, and now those people are jubilant at the increase in sales. But you have to look at details."

Among the details are plentiful inventory supplies of some models. "If sales are so strong (and production schedules have been cut, in some cases), why are inventories staying the same?" he asks.

Some of those underlying factors which caused the economy to weaken in 1984 may spill over to 1985, so O'Grady remains cautious about the economy and conservative about vehicle sales.

Mary Ann Keller, a director of Vilas-Fischer Associates Inc., also remains cautious, placing total vehicle sales at 14.1 million units. "The first half should be reasonably good. There are some signs of interest rates coming down," she says. "But it's difficult to figure the second half. It will depend on Federal Reserve Board policy (regarding money supply). It's possible it will be a replica of 1984 with a good first half and slower second half."

Pressure on interest rates may be prompted later in the year by increases in consumer installment debt, the U.S. Treasury's financing of the deficit and borrowing

Continued on Page E-5

FINANCING

Wheelways offers you a fresh new alternative to financing Rental Cars, Customer Loaners, Demonstrators, or Salesmen's Cars.

You Can Finance Just About Any Kind of Car.

New American or Foreign made cars and light trucks qualify for financing—PLUS used cars up to three years old.

It's Easy to Qualify

The best thing about the Wheelways Finance Program is that any Auto Dealer or Rent-A-Car Company can participate. The only prerequisites are that you've been in business for two or more years, are credit worthy, and you plan to finance at least ten vehicles with us.

So call or write today for the name of your local Wheelways Agent or for more information on how our financial services can help your business.

Tell me more about
Wheelways Finance Program

Name _____

Company Name _____

Address _____

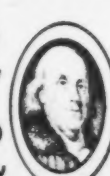
City _____ State _____ Zip _____

Phone (Area Code) _____

Mail to: WHEELWAYS, 259 East Lancaster Avenue,
Wynnewood, PA 19096-1993

There are Five Big Advantages with Wheelways Financing

1. You gain access to an alternative financing source.
2. You pick up an additional credit line for more business opportunities.
3. Fixed Interest Rates.
4. There's no system fees to pay.
5. Insurance is included on each vehicle for Collision, Comp and Conversion plus five million dollars of liability.

INCREASE
YOUR
PROFITS

WHEELWAYS®
finance
program

259 East Lancaster Avenue,
Wynnewood, PA 19096-1993 215-642-8400

AUTOMOTIVE NEWS WORLD OUTLOOK

Generated by Data Resources Inc.

(In Millions)

	1983	1984	1985	1986	1987	1988	1989	1990
NEW CAR REGISTRATIONS								
Total Western Europe*	10,473	10,240	10,391	10,639	10,831	10,852	11,028	11,270
Germany	2,427	2,425	2,495	2,536	2,486	2,547	2,565	2,681
France	2,018	1,810	1,891	1,983	2,065	2,022	2,093	2,162
United Kingdom	1,792	1,733	1,698	1,742	1,782	1,724	1,768	1,809
Italy	1,582	1,629	1,662	1,645	1,676	1,702	1,712	1,693
Total U.S.	9,178	10,640	10,710	10,580	10,483	11,166	11,608	11,839
Asia-Pacific**	1,025	1,159	1,251	1,325	1,367	1,404	1,463	1,521
Japan	3,136	3,228	3,254	3,414	3,362	3,457	3,515	3,617
Total Africa-MidEast	1,271	1,242	1,305	1,450	1,575	1,635	1,603	1,645
Total Latin America	1,401	1,303	1,342	1,445	1,565	1,693	1,847	1,997
Total Eastern Bloc	2,085	2,118	2,155	2,222	2,302	2,366	2,407	2,457
CAR PRODUCTION								
Total Western Europe*	11,121	10,772	11,093	11,208	11,393	11,426	11,602	11,845
Germany	3,878	3,677	3,828	3,873	3,880	3,980	4,054	4,193
France	2,961	2,760	2,772	2,818	2,885	2,824	2,830	2,810
United Kingdom	1,045	981	1,016	1,001	1,010	995	1,028	1,050
Italy	1,396	1,493	1,504	1,498	1,518	1,521	1,562	1,594
Total North America	7,746	8,761	8,993	8,361	8,141	8,875	9,206	9,176
Asia-Pacific**	7,909	8,189	8,434	8,752	8,916	9,132	9,327	9,548
Japan	7,152	7,308	7,444	7,630	7,711	7,885	8,051	8,229
Total Latin America	1,113	1,094	1,144	1,247	1,407	1,559	1,670	1,826
Mexico	207	223	242	271	361	431	463	486
NEW TRUCK REGISTRATIONS								
Western Europe***	10,175	9,825	10,284	10,516	10,596	10,859	11,101	11,294
U.S.	3,161	4,164	4,373	4,342	4,390	4,537	4,624	4,767
TRUCK PRODUCTION								
Western Europe***	1,309	1,233	1,327	1,370	1,385	1,427	1,470	1,495
North America	2,971	4,017	4,166	4,004	3,991	4,122	4,232	4,421

*Includes Germany, France, United Kingdom, Italy, Netherlands, Belgium, Denmark, Ireland, Greece, Sweden, Norway, Finland, Switzerland, Austria, Spain and Portugal.
 **Includes Taiwan, South Korea, Peninsular Malaysia, India, Australia and New Zealand but excludes Japan, which is listed separately.
 ***Includes Germany, France, United Kingdom, Italy, Spain, Sweden, Netherlands and Belgium.

Struggling for output supremacy

U.S. and Japan face close rivalry throughout decade

By Michelle Krebs
Financial Editor

The race between the U.S. and Japan for the title of world's largest automobile producer will be neck-and-neck through the rest of the decade, according to the latest Automotive News World Outlook.

The quarterly service of Automotive News and Data Resources Inc. indicates car production in Japan will reach 8.2 million units by 1990 while U.S. production will run in the 8.1 to 8.2 million-unit range.

By 1990 the U.S., Canada and Mexico combined will produce nearly 9.2 million cars annually, and most production in Canada and Mexico will be by U.S. auto makers.

At the same time, vehicles produced in the U.S. will be of a different sort from the past, not necessarily having their origins in North America. By the next decade, one million vehicles a year in the U.S. will be produced by Japanese companies.

Nearly 40 percent of the overseas capacity of Japanese companies will be in the U.S., according to Automotive News World Outlook. Those numbers are based on present plans and could be higher if speculation regarding other plans become reality.

So far, definite plans for U.S. production have been announced by Japan's four major auto companies—Toyota, Nissan, Honda and Mazda.

Mazda was the latest to announce it will assemble cars in the U.S. The auto maker plans to spend \$450 million to renovate an abandoned Ford Motor Co. facility in Flat Rock, Mich., near Detroit. Production begins in the fall of 1987 with initial capacity of 240,000 units annually.

Honda, which builds the Accord model in Marysville, O., plans to add a line for Civic. Capacity will double to 300,000 cars annually. Nissan plans to add its Sentra car line to its Smyrna, Tenn. plant, where it now builds only trucks.

The General Motors-Toyota venture in Fremont, Calif. is

expected to produce 250,000 cars annually.

The Japanese companies' U.S. capacity may exceed one million units if others follow suit. Mitsubishi is expected to be next to announce a U.S. plan. In fact, Mitsubishi president Toyoo Tate said potential plant sites have been narrowed to four states—Illinois, Indiana, Kentucky and Ohio.

"Mitsubishi has to do something based on its sales growth projections," says John Hammond, DRI's U.S.-based economist. "It makes sense to do it here."

Imports to the U.S. also will come from South Korea, though in small numbers, through GM's venture with Daewoo Motor Co. Ltd. (the products will be marketed through Pontiac), and as Hyundai attempts to crack the U.S. market.

Hammond concludes the imports' U.S. market share will be 30 percent by 1990—40 percent if Japanese production in the U.S. is included with imports.

For the short term, the U.S., which will continue to grow in 1985 but at a slower pace than in 1984, will be the bright spot in the global economy. Automotive News World Outlook shows a decline in motor vehicle demand outside of North America.

Production constraints and voluntary restraints on Japanese imports to the U.S. kept overall sales from climbing even higher. Automotive News World Outlook shows an overhang of unsatisfied demand from those constraints until the economy dips into a recession the second half of the year.

"Year 1985 will be generally more positive," says John Lawson, London-based economist for DRI. "The recovery will be continuing without major interruptions (such as last summer's six-week metalworkers strike in West Germany). Prospects for tax reduction should help, and the French market, which was a disaster in 1984, shows some possibility of growth." Most Western

European markets will be close to 1984 sales levels, he adds.

However, one major cloud of uncertainty could throw all of

How good

Continued from Page E-4

by corporations for capital spending. "Those are the ingredients for higher interest rates and that by itself could make for a stronger first half and slower second," Keller says. "Whatever, we don't see a nice smooth upward growth, but, instead, being wobbly from quarter to quarter."

Keller says the major issue clouding the picture is what Congress will do on the deficit and tax reform proposals, including Treasury Secretary Donald Regan's proposal which would no longer allow write-offs of interest paid on such items as car loans. "The consumer will have to take a very hard look at himself and his financial situation in terms of the tax bill. The consumer may take a wait-and-see attitude on spending," she speculates.

The tax bill debate may cause "temporary turmoil" and negatively effect car sales, Keller says, and "1986 could be a horror story and will be determined by Congress and what it does on the

Europe off track; that is West Germany, where drastic pollution control legislation is being contemplated. The mere uncertainty of what form the legislation will take has had a negative impact on car sales. "The consumer doesn't know what sort of car to buy," says Lawson. Car sales this year will depend on the West German

budget deficit and tax policy."

John Maher, economist with Citicorp., says attention should be paid to vehicle production schedules. The schedules, he notes, are strong in the first quarter at an annual rate of nine million units. However, he expects production for the year to be only eight million units, so schedules after the first quarter will have to be cut.

On the more optimistic side, David Healy, of Drexel Burnham Lambert, sees strong economic behavior aiding car sales. His forecast includes a three percent increase in real disposable income and a drop in the unemployment rate, as well as auto credit at reasonable rates. (Federal Reserve Board data show consumers paid an average 14.68 percent on an auto loan in August, up only slightly from the 13.92 percent at the end of 1983.)

Philip K. Fricke, auto analyst for Goldman Sachs, also sees the economics of new-car demand remaining favorable, including available credit. Income will rise faster than car prices, he says, and consumer confidence will remain

government clearing up the picture on emission control.

Whatever the outcome in West Germany, Lawson predicts another tough year for Europe's auto companies, which collectively have lost money for five consecutive years.

Lawson foresees another year of losses that may well exceed 1984's estimated \$1 billion loss.

Lawson sees no letup in competition in the market which will grow at a rate of only one-half percent per year through 1990, according to Automotive News World Outlook. The five major companies of Europe show market share within one to two percent of each other.

At the same time, Western European auto companies continue to be saddled with huge capital spending expenses for product development. However, no price increases, which Lawson claims are desperately needed, are in sight.

"Can everyone stay in there? For some, you must have some doubts," Lawson says.

For 1985 Lawson estimates the industry, which already has seen massive layoffs, will shed another 250,000 workers, adding to Western Europe's stubbornly chronic unemployment problem. "With lower revenue growth, action has to be taken on the cost front," he says.

One answer may be for European auto makers to look beyond their homeland and to outsource or to import cars from developing nations, as U.S. manufacturers have done to reduce costs. "We can see doubling or tripling of that by the end of decade," Lawson says.

Continued on Page E-12

high. He sees no compelling reason to expect deterioration in consumer optimism for at least six months to a year.

In addition, Fricke notes the percentage of household income spent on monthly car payments is unchanged from levels paid in similar economic cycles of the past. Consumers spend an average of 10.0 to 10.6 percent of their household income on monthly new car payments.

Fricke divides American car buyers into two groups: consumers and nonconsumers; the latter includes fleets as well as business and commercial buyers. He notes key factors for consumer purchases are disposable income, consumer sentiment and cost including financing. Nonconsumer demand is a function of overall economic conditions and corporate cash flow. His forecast shows demand by both groups picked up in 1984 with consumer deliveries accounting for about 6.8 million units (below the previous peak of 7.7 million) and nonconsumer about 3.7 million units, somewhat higher.

He forecasts, "For 1985 we estimate a pickup in consumer purchases to 7.2 million units, and nonconsumer purchases to be about flat with 1984."

Harvey Heinbach, of Merrill Lynch Pierce Fenner & Smith Inc., has upgraded his 1985 sales forecast since last fall because of supply constraints in 1984. He feels unsatisfied car demand will spill over from last year. He expects some bumpy spots in the overall economy including favorable conditions for the consumer, such as a drop in unemployment, but with considerably slower growth in disposable personal income.

"The year will be flattish compared to 1984 but basically will be a good year," he says.

U.S. Market Outlook:
Composite of Calendar Year Sales Forecast

	1985				
	Total Car	Imports	Domestics	Total Truck	Total Motor Vehicles
Davis	10.8	2.7	8.1	4.5	15.3
Fricke	10.9	2.7*	8.2	4.0	14.9
Hammond	10.7	2.6	8.1	4.1	14.8
Healy	10.6	2.7	7.9	4.1	14.7
Heinbach	10.5	2.7	7.8	4.2	14.7
Jouppi	12.0	2.5	9.5	3.5	15.5
Keller	10.4	2.5	7.9	3.7	14.1
Knight	11.2	2.8	8.4	4.0	15.2
Maher	10.8	2.8	8.0	4.0	14.8
O'Grady	10.3	2.7	7.6	3.7	14.0
COMPOSITE	10.9	2.7	8.2	4.0	14.9

*Domestics include automobiles built by Japanese companies on U.S. soil. However, Fricke counts American Honda as an import.

Legend: Arthur G. Davis, Prescott Ball & Turben; Philip Fricke, Goldman Sachs; John Hammond, Data Resources Inc.; David Healy, Drexel Burnham Lambert; Harvey Heinbach, Merrill Lynch Pierce Fenner & Smith Inc.; Arvid Jouppi, Arvid Jouppi Associates, Inc.; Mary Ann Keller, Vilas-Fischer Associates, Inc.; Ann Knight, PaineWebber Inc.; John Maher, Citicorp; Thomas O'Grady, Chase Econometrics.

The shoot-out in wild Western Europe

Future of the continent's vehicle manufacturers is at stake

By Michelle Krebs
Financial Editor

Concern continues to mount over economic and industrial problems facing Western Europe, and in no place in the economy are those problems more evident, or in need of attention, than in the motor vehicle industry. Indeed, the future of some European auto companies is at stake.

Collectively, Western European auto companies have lost money five straight years. Losses for 1984, yet to be reported, are expected to top \$1 billion, and the losing trend won't be reversed in 1985. This gives rise to the question of whether all the European companies will still exist by the end of the decade.

European economists predict the economy in 1985 will be slightly more positive at best, and more likely will be a repeat of 1984.

"Economic Forecasts: A Worldwide Survey," which uses a consensus of European economists' forecasts, shows little change from 1984 to 1985 for the major European nations.

Inflation in the United Kingdom is expected to stay just under 5.0 percent and unemployment will rise to 3.1 million people. An increase in growth will be only marginal, from 2.4 percent to 2.8 percent, according to the forecast.

Likewise, West Germany's inflation and unemployment will remain unchanged, while growth will decline from 2.5 percent to 1.8 percent.

In France, the forecast expects inflation to drop, and unemployment and growth to hold steady.

Italy's growth rate will remain the same, unemployment will edge upward from its already high 10.3 percent to 10.5 percent, and inflation will drop from 11 percent to 9.4 percent, according to the forecast.

A survey of British economists, conducted by the Society of Business Economists, indicates similar results for the British economy, with growth at a slower pace accompanied by higher inflation and more unemployment.

Two-thirds of the 144 economists surveyed expect real, or inflation-adjusted gross domestic product, to grow between 2.0 and 3.0 percent. The British government predicts 3.5 percent growth. The majority surveyed forecast retail inflation to rise between 5.1 and 7.0 percent, compared with the British government's estimate of 5.0 percent. Jobless ranks will rise as much as 250,000 from about three million, according to the economists, while the government predicts unemployment and inflation will decline.

Even the British public is becoming more pessimistic about the economic outlook. A public opinion poll done by Market & Opinion Research International in 1982 showed British people thought general economic conditions would improve. However, the same survey taken in 1984 showed the public thinks economic conditions will worsen, particularly because of the lengthy coalminer strike.

Likewise, only modest improvements in the motor vehicle business are anticipated. Automotive News World Outlook, a quarterly forecasting service of Automotive News and Data Resources Inc. (DRI), shows 1985 car sales will rise to 10.39 million units in the nations of Western Europe from last year's 10.24 million units.

Auto makers will see no let up in product competition and no relief in price pressure.

The consumer, who so far has not been active in the European economic recovery, may make some contribution in 1985. Tax-cutting packages in Britain and West Germany, as well as delayed upswings in France and Italy, should help support car demand into 1986.

However, increases for the rest of the decade amount to only 0.5 percent per year, and the profit picture could deteriorate further as prospective action on exhaust emission regulation further burdens the revenue side while adding capital and engineering expenses to the cost side.

"Only a rapid revival of volumes, perhaps taking the market rapidly to 11.5 or 12 million cars

Marina v.N. Whitman, chief economist for General Motors, forecasts some pickup in European growth, "but not enough to make a dent in the unemployment problem, which is higher and more stubborn than here."

For the automobile industry this year, Whitman expects some improvement because tough problems, such as the West German metalworkers strike, are out of the way; and policy issues, such as West Germany's emission control legislation, whose uncertainty has had a negative impact on car sales, should be resolved.

The only car companies making profits in Europe are producers of luxury, prestige cars. They have taken advantage of the strong U.S. dollar and record high demand for their vehicles in the U.S. A slowdown in the U.S.

chief responsible for internal market and industrial affairs for the Commission of the European Community, calls unemployment Western Europe's most severe challenge. "Our main problem is unemployment, which is now at 11 percent, largely due to a slowness of our economy to adjust to the changing pattern of international competition," von Moltke said in a teleconference panel discussion on the European economic outlook sponsored by Touche-Ross International. "The rigidities of old Europe are preventing the new Europe from emerging."

He said the rigidities, particularly evident in the motor vehicle industry, take three forms: labor's short-sighted demands instead of long-term solutions; too much regulation; and lack of investment capital for high technology.

"The labor markets have been ossified by the search for short-term securities at the expense of long-term prosperity," he said. "We spend perhaps more time in negotiating Christmas bonuses or demarcating workers' obligations, and far too little time enhancing the mobility of the work force, training the work force, or work creation."

"We do not possess markets for risk capital which are flexible enough for businessmen to seize the various opportunities for innovation," he said.

Sir James Ball, co-author of "Towards European Economic Recovery in the 1980s," said during the teleconference discussion that European industry did not make the proper adjustments to retain profitability or make investments needed to maintain jobs.

"That has been reflected in the rather sad history of the (European) Community," said Ball, economics professor of the London Business School and chairman of Legal and General Group, one of Britain's largest insurance companies. He noted from 1974 and into the 1980s, 15 million jobs were created in the U.S., three million in Japan and none in the European Community.

The study by Ball and Michel Albert, former commissioner for the French Economic Plan, was commissioned by the European Parliament, and concluded Western European nations have sacrificed the future for the present by spending on consumption rather than investing in the future. It further noted Europe was slow to react to the energy crisis of the 1970s and subsequent need to accelerate investment in high-tech, energy and labor-saving enterprises.

Economists, businessmen and government officials agree Western Europe is undergoing profound economic change. Yet they do not necessarily agree on the cure for those economic ills nor on how quickly prescriptions for the cure should come forward.

One point on which many seem to agree is that Western Europe, which includes 18 states and 350 million people, needs to act at the European level rather than a national level.

"The nations need to make some major individual and collective decisions if serious economic decline is to be avoided," said von Moltke. One voice in monetary terms is necessary, von Moltke suggests, to minimize the effects of fluctuating exchange rates. In fact, efforts to build a monetary system based on a European monetary unit are under way.

"In the international monetary jungle," von Moltke said, "the European monetary system can

help to provide sort of a shock absorber for European currencies and can help to ensure that the gyrating dollar does not continually drive them apart, thus adding to the uncertainty with which our businessmen have to live."

"We also need a monetary system in Europe in order to give Europe a greater voice in international monetary affairs—a voice commensurate with its role as the world's greatest trading partner," he said.

He also recommends the coordination of economic policies. "We need to work to maintain the free international trading system. For Europe to develop a Common Market plan to be less vulnerable to the vagaries of the dollar is in the interest of both sides of the Atlantic. For without these developments, it will impede the flow of trade between Europe and the U.S., and both will continually be threatened as currency fluctuations enhance the penetration of imports on one side of the Atlantic and then on the other."

Achieving that oneness may be easier said than done. "The U.S. never had the problems that we're having in Europe at the moment," said John Drew, director of European affairs for Touche Ross and international affairs advisor for Rank Xerox Ltd. "No one said to the U.S., 'by the way, one of these days you guys are going to have to become the United States.'"

The Ball-Albert study, in addition to advocating one voice for Europe, suggests two action plans.

Ball believes economic policy should be set to create an environment in which investment is encouraged and economic agents can function more efficiently. He also suggests a framework be created in which management and labor can work in an internationally competitive way. He further said financial soundness must be restored to government and deficits adjusted.

Albert proposed a \$15 billion investment drive targeting high-technology industries. The funds would be raised through a tax on imported oil. His plan also involves increased borrowing at the European level and a "Marshall Plan" for energy-saving investments. He acknowledges Europe will never again see full employment, and suggests employees negotiate for the number of days and days of the week they work.

There are signs the tide is turning for Western Europe, according to some experts. New technologies are developing and greater emphasis is being placed on service industries, high technologies and small business, they say.

Dudley Fishburn, executive editor of The Economist magazine and speech writer for British Prime Minister Margaret Thatcher, notes a change in the European mood which will aid in its economic recovery. "The principal issue is that the mood of conservatism, which is felt in the U.S. and Canada, is also now being shared in Western Europe," Fishburn said during the Touche-Ross discussion. "Indeed, it probably started in Western Europe where 30 years of a post-war welfare state has run out of steam."

He pointed out in the last two European elections of any size—in Britain and West Germany—conservatives were voted into office. More importantly, that mood has pervaded traditionally socialist countries. Even the military dictatorship of Turkey has given way to a successful free enterprise leader, Fishburn said.

EUROPEAN ECONOMIC OUTLOOK

United Kingdom					
Year	GDP or GNP*	Consumption	Investment	Inflation	Unemployment**
1984	2.4	2.3	7.0	4.9	3.0
1985	2.8	2.5	3.7	4.9	3.1
Germany					
1984	2.5	1.1	3.8	2.6	2.3
1985	1.8	1.4	2.1	2.3	2.3
France					
1984	1.0	0.5	-0.3	7.3	2.4
1985	1.0	0.8	1.8	5.8	2.6
Italy					
1984	2.6	1.5	1.9	11.0	10.3
1985	2.6	2.8	3.3	9.4	10.5
Sweden					
1984	2.6	0.8	14.2	7.4	3.4
1985	1.8	1.1	5.8	7.1	3.2
Switzerland					
1984	2.4	1.4	2.5	2.6	0.8
1985	2.3	2.0	3.8	3.0	0.7

Source: "Economic Forecasts: A Worldwide Survey," which uses a consensus of opinions from European economists, published in November.
*Gross Domestic Product used for United Kingdom, France and Sweden; Gross National Product used for other countries.
**Percentage changes of annual rates for all categories but unemployment. Percent of labor force is used for countries other than United Kingdom, Germany and France, which is represented in millions. For Switzerland, unemployment is based on registered fully unemployed only.

in Western Europe (which is not predicted), could restore equilibrium," DRI's report concludes. "Otherwise, governments and shareholders will have to meet the costs of adjustment or witness a contraction of the manufacturing base."

The situation in West Germany best illustrates the situation. It's clear the question of emission control standards being considered by the government cooled automobile sales in 1984 by its mere uncertainty. The consumer simply didn't know what kind of car to buy. This year could see a repeat of that uncertainty.

The best guess for 1985 is that European countries, contemplating a united action regarding pollution control, probably won't make a decision before the end of the year. The West German government then must decide if it should move ahead independently of the other countries, in which case car makers would have to decide to invest in product development to fit West Germany's timetable or wait for the rest of Europe. Waiting in the wings are Japanese auto makers, whose cars already have pollution controls.

Likewise, the Western European truck business, which last year experienced its lowest production in decades, continues to face major challenges, mainly in the form of high production costs and exports. Exports, once the backbone of the Western European truck industry, have been cut nearly in half from recent peaks. To take back some of the business it lost, Western European manufacturers may have to increase the assembly of trucks in markets where they are sold.

economy could slow those profits.

Whitman would like to see a move toward a more domestically based expansion of Western Europe's auto business: "I hope we see some shift in growth pattern, which has been export-led by the rapid expansion in the U.S. (and favorable exchange rates). It's not reasonable to expect the U.S. to continue to act as a loan locomotive to growth."

John Deaver, economist for Ford Motor Co., expects a repeat of 1984. His forecast calls for growth in the UK of 2.0 to 2.5 percent; 2.5 percent for West Germany and Italy; and 2.0 percent for France. "Car demand could be a little better, but probably it will be very much like 1984," he says. "A great deal will depend on the U.S. economy. They are not immune from the effect of a slowdown in the U.S. economy, and it would weaken our import demand from these countries."

John Lawson, London-based economist for DRI, sees little change in the level of Western Europe's car exports to the U.S., and instead expects them to increase their shares. However, he anticipates more action on the cost front of the motor vehicle business.

Lawson predicts Western European auto companies may speed up outsourcing of component manufacturing to recover profits. He sees a doubling or tripling of the import of fully assembled vehicles from subsidiaries in developing parts of the world. He also anticipates more layoffs in the auto industry—as many as 250,000 more—adding to Europe's already high unemployment rate. Heinrich von Moltke, cabinet

AUTOMOTIVE NEWS WORLD OUTLOOK

GENERATED BY DATA RESOURCES, INC.

	1984					1985					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 1984	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 1985	
U.S. MACROECONOMIC OUTLOOK											
Percent change of gross national product in 1972 dollars.....	2.429	1.732	0.470	0.375	1.251	0.340	0.246	0.746	0.806	0.534	
Index of production workers wages.....	3.126	3.151	3.172	3.201	3.163	3.225	3.272	3.310	3.351	3.292	
Consumer price index (all urban, all items).....	3.068	3.096	3.123	3.156	3.111	3.185	3.212	3.241	3.274	3.228	
Unemployment (all civilian workers).....	7.867	7.467	7.467	7.459	7.585	7.546	7.723	7.805	7.832	7.726	
Index of consumer sentiment.....	0.995	0.966	0.989	0.955	0.876	0.929	0.906	0.884	0.859	0.894	
Housing starts.....	1.968	1.885	1.862	1.641	1.782	1.678	1.718	1.730	1.781	1.722	
U.S. FINANCIAL OUTLOOK											
Prime rate on short-term business loans.....	11.070	12.307	12.990	12.039	12.181	11.263	10.605	10.502	10.552	10.731	
Finance rate on consumer installment credit, auto loans.....	13.320	13.530	14.080	13.803	13.683	13.708	13.533	13.286	13.051	13.395	
Real new issue rate.....	6.024	7.501	7.192	7.018	6.834	6.748	6.820	6.887	7.032	6.872	
Real short-term interest rate.....	6.220	7.546	8.267	5.936	6.982	5.186	4.808	5.095	5.456	5.137	
Personal savings as percentage of disposable income.....	6.100	5.700	6.300	5.995	6.824	5.911	5.553	5.465	5.567	5.624	
Ratio of corporate profits to GNP.....	6.847	6.750	6.054	5.738	6.347	5.481	5.424	5.323	5.303	5.383	
Ratio of fixed investment to GNP.....	11.223	11.546	11.867	11.893	11.632	11.836	11.816	11.759	11.741	11.768	

Struggling

Continued from Page E-5

son says. "We're seeing some signs the companies are heading that way."

By 1990, Lawson estimates, 800,000 cars will be brought to Western Europe by companies

such as Ford, Fiat and GM to try to restore profitability. At present, those imports account for only small percentages. Ford, for example, exports about 250,000 Escorts a year to Scandinavian countries from Brazil; Fiat sends about the same number of its Uno model there from Brazil.

Meanwhile, Western European car exports to the U.S. should remain at 1984 levels, which have been record levels for some companies. Lawson says they have plenty of capacity to send enough cars to the U.S., which was not the case in 1984. "I don't think that will change terribly signifi-

cantly," he says. "They still will increase their penetrations."

However, Hammond notes, with a growth slowdown forecast for the second half of 1985 in the U.S., European auto makers will have to begin to generate growth in their own market.

The truck side of Western Europe's business has offered little help for recovery. Truck production hit its lowest levels in decades, and exports from Western Europe have been cut in half from historic peak levels. Automotive News World Outlook indicates the slump has seen its worst, yet the structure of the business will never be the same. In the future, more and more trucks will be assembled in countries where they are sold.

Meanwhile, Automotive News World Outlook has turned less bullish on the pace of Third World growth for motor vehicle sales and production.

South Korea appears to be the only developing nation in the Asia-Pacific area to come close to fulfilling its aspirations for auto

production, stealing the show from Malaysia and Taiwan, which have similar aspirations.

Hyundai, with its new Stellar and upcoming X-car, will be the leader along with Daewoo, the GM affiliate. South Korean auto makers will take over the inexpensive, basic transportation segment surrendered by the major Japanese companies which will continue to concentrate on more upscale segments. Though the real numbers remain small for auto production compared to Europe, the U.S. or Japan, South Korean auto production, which increased 114 percent from 1980 to 1983, will jump another 152 percent through the end of the decade. Exports have increased 180 percent in the same period and will skyrocket 390 percent through the end of the decade.

At the same time, European and U.S. domestic auto makers will have production capacity in Latin America, which will add to the difficulty of other Asian countries with high auto production goals to advance.

Labor

Continued from Page E-10

suppliers should be concerned about GM's new job bank program. In the program, workers laid off because of new technology, outsourcing, negotiated productivity improvements, work movement and production consolidation will be retrained for new jobs, either inside or outside GM.

According to Warren, some of those people ultimately could be placed in the supplier network if no jobs are available at GM. But that's a last resort, he says.

Miner says the concept is borrowed from the Japanese, but Japanese auto companies often own supplier firms, and since U.S. auto companies often don't, the program may not work here. "It's far different talking to a Rockwell or TRW," he says. "They may tell us, 'We value your business, but if you think we're going to take workers you have left over, then adios.' Smaller suppliers can't do that. Ford and GM may want to invite their workers to go to a supplier company at the same time the supplier company is suffering redundancies. Somebody has to fall out the bottom."

"There's no free lunch," Miner adds. "When the auto market declines, and it will, half the people in the auto industry could be out of work, and that means half the people in the supplier business. Where are those people going to go? The UAW has set up a system now where we take care of them, and to heck with anybody else who falls off the bottom. It's not the union's job to worry about who falls out the bottom, as long as it isn't their people, and it probably won't be. So I don't know if it's going to work."

GM and the UAW disagree. Bieber calls the job bank program "one hell of a giant step forward"

in creating job security for UAW members. While it may not be Utopia, he says, some of the problems can be ironed out in 1987 negotiations. "The job security program has a firm foundation, and a lot of building blocks were laid," he says. "They just need to be squared up a bit."

Warren calls the job program "excellent," saying it lays the groundwork for future worker improvements, although workers will not necessarily get the same wages and benefits they got at GM once they leave the job bank. "The union's big concern was making sure their people had jobs," Warren says. "The big emphasis was on jobs."

Retraining hourly workers also will help GM become more competitive, Warren says, since workers will become more competitive by learning new skills, and may even move into traditionally white-collar jobs.

Although Ford and GM contracts are set for the next three years, the UAW has its eyes on 1987 negotiations. According to Bieber, while the annual improvement factor (AIF) was not renegotiated in 1984, it will be revived at the 1987 bargaining table. He also says the union is still interested in shorter work time, although it may not take the form of a four-day work week.

However, since AIF was given up in 1982 bargaining, the auto companies maintain it is gone forever.

Meantime, UAW leadership is working on improving communications with its membership. Bieber meets often with locals, assuring them of the union's continuing power base, and its influence in industry and government, as well as dealing with everyday problems. "You must always improve communication with the membership," Bieber says.

YOU CAN JUDGE A TRUCK BY THIS COVER.



And so has the confidence over their wholesale values. That's why Black Book adapted its proven methods to bring you an authoritative, accurate monthly guide to truck prices. Our professional reporters cover major auctions across the country, as well as specialized truck and equipment sales. Vehicles are classified according to condition and a long list of other vital factors to give you reliable wholesale prices and a loan value. There's even a special section that shows you how to use serial numbers as a source of valuable information on each vehicle. And whether it's a half-ton or two-ton, van or four-wheel-drive, you can count on the Black Book to judge its real value.

So mail the coupon today for a free sample copy of the Black Book Used Specialty Vehicle And Truck Guide. Then

Anything Less Is a Guess!

Black Book

P.O. Box 750, Greenville, GA 30202
Call toll-free 1-800-854-1232
In Georgia: 762-5211

Complete this coupon and attach it to your business letterhead for a free copy of the Black Book Used Specialty Vehicle and Truck Guide (6 months).

NAME _____
TITLE _____
DEALERSHIP _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
TELEPHONE _____

Rental agreement extended for three years

Avis, Nissan Kanko renew pact

By Francis J. Gawronski

Two of the world's biggest firms in the car-rental services are renewing their agreement to exchange car-rental reservations worldwide.

Avis, Inc., Garden City, N.J., which operates in more than 130 countries, and Nissan Kanko Service, Ltd., which operates car-rental services exclusively in Japan, joined forces in 1981. They announced that they have renewed their cooperative business agreement for three additional years.

"Avis is proud to be a leading rent-a-car company in international locations," said Joseph V. Vittoria, Avis president and chief operating officer. "Avis and Nissan Kanko form a strong alliance to serve the worldwide car-rental needs of travelers to and from Japan. We are pleased to be associated with Nissan Kanko."

"We are delighted to continue close cooperation with one of the world's foremost names," said Seiji Nakagawa, Nissan Kanko, president. "Avis is the ideal partner from which we can extend

car-rental service worldwide. We expect to enjoy further expansion of our network and continued growth in volume."

Avis operates one of the world's largest (corporate and licensee) fleets of rental cars. Nissan Kanko, a wholly owned subsidiary of Nissan Motor Co., is Japan's third largest rent-a-car company with more than 400 rental locations and more than 10,000 rental vehicles.

Under the agreement, Avis' Tokyo-based partner exclusively accepts and services Avis reservations generated by Nissan in Japan for car-rental services outside that country.

The joint program also facilitates reciprocal transmissions and acceptances of reservation forms, prepaid vouchers and other documents utilized by the respective systems when applicable. Both companies also have agreed to honor traditional commitments for the payment of commissions to travel agents and other commissionable sources.

Avis also announced that it has

merged seven sales areas into five reporting regions—Northeast, Mid-Atlantic, Southern, Central and Western. It named three new regional sales vice presidents to head them.

Newly named regional vice presidents are Peter Dizinno, Joseph Scalabrino and Theodore Heller.

The Northeast region, managed by Dizinno, who formerly was area sales director—Northeast, is comprised of the New York, Boston, Connecticut and New Jersey districts.

The Mid-Atlantic region, comprised of Washington, Philadelphia, Pittsburgh, Cleveland and Cincinnati, is headed by Scalabrino, former area sales director—Mid-Atlantic.

Thomas J. Byrnes, Southern regional vice president, has the Atlanta, Miami, Dallas and Houston districts in his division.

The newly formed Central re-

gion is comprised of the Chicago, Minneapolis, Detroit and St. Louis districts and is directed by Heller, who formerly was Midwest area sales director.

The Western region is now comprised of the San Francisco, Seattle, Los Angeles, Southern California, Hawaii and Denver districts, led by Oliver Milton.

Elsewhere, General Electric Credit Auto Lease, Inc. (GECAL), has moved into its new 63,000-square-foot administrative headquarters in Barrington, Ill. The new facility consolidates three previous locations in the Barrington area.

GECAL's 175-member administrative staff occupies the new facility, which includes a sales and management training center, a computer facility and additional space for anticipated expansion.

"Due to GECAL's tremendous growth and the continuing demand for auto lease financing, we felt the need not only to consolidate our existing facilities, but also to plan for expanded capabilities as well," said Dennis Carey, GECAL president.

Joseph M. Russo has been appointed public affairs director of Hertz Corp., New York. He previously was a vice president and director of marketing for First Jersey National Corp., Jersey City.

David J. Idstrom has been named corporate vice president of Car Leasing Division, Lend Lease, Minneapolis, succeeding John P. Dedon, who is retiring.

Francis K. Gnos, formerly vice president of national account sales, replaced Idstrom as sales vice president.

Associates Leasing, Inc., Chicago, has elected Pamela D. Strewé assistant vice president. Strewé will continue to be responsible for certain administrative functions for the truck leasing operations of the division.

Associates also announced the election of Mayer L. Smith as a vice president with continued responsibilities for all credit functions for both the auto and truck leasing operations of the division.

Got Hangups about Consignment?

Call us,
WE KNOW THE ROPES!

1999 Amidon
Wichita, KS 67203

National
Autofinders

TOLL FREE
1-800-835-0201



Electronic options on 1984 U. S.-built models

	Speed Control	Percent of Output	Digital Clocks	Percent of Output	Electronic Inst. Cluster	Percent of Output
AMERICAN MOTORS.....	NA	NA	99,184	47.54	NA	NA
Alliance.....	NA	NA	1,600	50.90	NA	NA
Encore.....	NA	NA	37,584	42.90	NA	NA
CHRYSLER CORP.....	459,772	39.71	1,026,258	88.64	41,075	3.55
Plymouth Total.....	58,490	16.72	292,080	83.49	NA	NA
Horizon.....	9,762	6.60	127,639	86.30	NA	NA
Reliant.....	44,190	23.60	152,605	81.50	NA	NA
Gran Fury.....	4,538	30.90	11,836	80.60	NA	NA
Chrysler Total.....	278,800	74.18	361,485	96.18	39,788	10.59
LeBaron.....	68,650	61.40	104,764	93.76	NA	NA
Laser.....	39,531	56.70	66,373	95.20	30,120	43.20
New Yorker E-Class.....	86,586	81.50	102,263	96.60	9,668	9.10
Fifth Avenue.....	84,033	95.40	88,085	100.00	NA	NA
Dodge Total.....	122,428	28.35	372,693	86.25	1,287	.03
Omni.....	12,682	8.90	124,687	87.50	NA	NA
Aries.....	36,018	23.90	121,315	80.50	NA	NA
Daytona.....	27,757	51.40	50,524	94.20	1,287	2.40
Dodge 600 K.....	13,583	56.00	21,952	90.50	NA	NA
Dodge 600 E.....	23,700	63.40	34,690	92.80	NA	NA
Diplomat.....	8,742	37.00	19,255	81.50	NA	NA
FORD MOTOR.....	1,010,932	55.74	1,010,277	55.71	133,716	7.37
Ford Division.....	520,569	44.09	665,469	56.36	29,296	2.48
Escort.....	28,203	8.50	50,434	15.20	NA	NA
Mustang.....	54,328	38.40	129,737	91.70	NA	NA
LTD.....	141,262	66.00	127,176	59.50	1,496	0.70
Thunderbird.....	133,200	78.10	106,253	62.30	27,800	16.30
Crown Victoria.....	67,576	78.50	49,718	47.30	NA	NA
EXP.....	1,611	7.00	23,016	100.00	NA	NA
Tempo.....	94,389	44.10	188,135	87.90	NA	NA
L-M Division.....	NA	NA	NA	NA	NA	NA
Mercury Total.....	333,865	70.23	261,991	55.11	21,603	4.54
Lynx.....	7,134	10.80	11,688	17.70	7,464	11.30
Capri.....	4,872	23.60	20,642	100.00	NA	NA
Marquis.....	97,139	90.10	89,268	82.80	539	0.50
Cougar.....	109,265	83.30	49,451	37.70	9,444	7.20
Grand Marquis.....	88,625	98.10	53,843	59.60	4,156	4.60
Topaz.....	26,830	45.20	37,099	62.50	NA	NA
Lincoln Total.....	156,498	99.41	82,817	52.60	82,817	52.60
Continental.....	30,468	100.00	30,468	100.00	30,468	100.00
Lincoln.....	92,686	99.00	19,005	20.30	19,005	20.30
Mark VI/VII.....	33,344	100.00	33,344	100.00	23,344	100.00
GENERAL MOTORS.....	2,522,611	30.07	2,520,131	30.04	105,846	1.30
Buick Total.....	693,801	70.22	891,565	90.24	17,554	1.78
Skyline.....	60,647	54.53	72,400	65.10	NA	NA
Skyhawk.....	42,563	32.00	102,418	77.00	NA	NA
Century.....	166,520	76.00	171,885	78.00	4,985	2.00
Regal.....	156,373	70.00	174,461	78.00	4,853	2.00
Buick.....	209,335	92.00	210,314	92.00	NA	NA
Riviera.....	57,863	100.00	57,669	100.00	7,714	13.00
Cadillac Total.....	300,300	100.00	300,300	100.00	NA	NA
Cimarron.....	21,898	100.00	21,898	100.00	NA	NA
Seville.....	39,997	100.00	39,997	100.00	NA	NA
Eldorado.....	77,806	100.00	77,806	100.00	NA	NA
Cadillac.....	160,599	100.00	160,599	100.00	NA	NA
Chevrolet Total.....	802,455	43.51	657,875	35.67	88,292	4.79
Chevette.....	NA	NA	NA	NA	NA	NA
Cavalier.....	117,503	25.4	172,554	37.30	NA	NA
Celebrity.....	187,009	60.50	161,234	52.10	NA	NA
Camaro.....	127,395	48.70	184,684	70.60	33,745	12.90
Citation.....	26,810	26.20	NA	NA	NA	NA
Monte Carlo.....	86,264	63.10	NA	NA	NA	NA
Chevrolet.....	205,927	74.50	87,959	31.80	NA	NA
Corvette.....	51,547	100.00	51,444	99.80	51,547	100.00
Oldsmobile Total.....	514,698	44.98	408,257	35.68	NA	NA
Omega.....	52,986	100.00	NA	NA	NA	NA
Firenza.....	23,623	28.30	NA	NA	NA	NA
Cutlass Ciera.....	206,555	73.50	NA	NA	NA	NA
Oldsmobile.....	360,321	97.20	360,321	100.00	NA	NA
Toronado.....	48,100	100.00	47,936	99.70	NA	NA
Pontiac Total.....	211,357	29.72	262,134	36.86	NA	NA
2000 Sunbird.....	32,165	19.00	21,331	12.6	NA	NA
1000.....	NA	NA	NA	NA	NA	NA
Firebird.....	61,842	48.20	111,240	86.7	NA	NA
Phoenix.....	5,701	25.00	NA	NA	NA	NA
Grd. Prix/Bon.....	34,687	65.00	3,726	7.0	NA	NA
Parisienne.....	23,532	71.00	NA	NA	NA	NA
Fiero.....	53,430	39.70	125,837	93.5	NA	NA
HONDA.....	NA	NA	56,842	48.50	NA	NA
VOLKSWAGEN.....	2,920	2.80	NA	NA	NA	NA
Total Cars, U.S.....	2,525,531	30.10	4,712,691	56.17	280,637	3.34

Saturn Key Ring #670-8
LOWEST PRICE YET!

2nd Side FREE - No Die Charge

Assorted Colors - Plastic with Steel Ring

AD-SELLS, INC.

737 Blackhawk Drive • Westmont, IL 60559

(312) 887-0090

QTY.	500	1000	2500	5000
PRICE	.22	.20	.18	.16

Keep your ad material

up front where it
counts, with
a Beemak
display!

73 sizes available from stock • Complete facilities for imprinting • Custom displays produced to your specifications • Use our design services for your special projects • Prompt response to your quote requests

BEEMAK PLASTICS, 7424 Santa Monica Blvd.
Los Angeles, California 90046 (213) 876-1770
Outside California call toll free 1-800-421-4393



WINDSHIELD NUMBERS & SIGNS

Starter Kits Available

• WATER PROOF • EASY-ON • EASY-OFF

Serving the Automotive Industry since 1959

WRITE FOR FREE SAMPLES AND BROCHURES

EZ LETTERING SERVICE

1635 A DRIVE WAY,
T.M. COSTA MESA, CA 92627

NATIONWIDE SERVICE (714) 648-8441



Call/write: Webasto North America
1177 West Maple Road
Clawson, Mich. 48017
(313) 288-1646

Original Equipment/Aftermarket

Sky-Top

power moonroof



AMC-JEEP DEALERS OPEN WIDE

Your Jeep Grand Wagoneer

With A SKY-TOP Power Moonroof—the better alternative to the OEM option. SKY-TOP increases your profits by offering a better product at less cost. With our perfect fit, a vinyl top addition is not necessary, but is available. Your customers get a wider view, retain more headroom, and enjoy the comfort of our automatic wind deflector. Our nationwide network of over 90 installers back our unsurpassed 12/12 warranty. Ask for our brochure and name of nearest installer, call...

SKY-TOP® Sunroofs Ltd.

4700 Le Bourget Dr. • St. Louis, MO 63134 • Phone (314) 427-1441
TOLL-FREE: 1-800-327-1331 (OUTSIDE MO)

©1985

Don't get hung up looking for keys.



You might lose a sale.

You're losing sales while your sales staff is hunting for keys, let Supra Max put you off the hook with Supra Max. It keeps your sales staff on the lot selling, and it keeps your vehicles secure.

With the Supra Max, your key remains safely with the vehicle. Only our Title Key, which can not be duplicated, can open the Supra Max. This one-key system eliminates losses, duplications, and

confusing key boards. It's also the toughest and most durable automotive key box on the market.

So if you want the best key boxes made, give us a call about the Supra Max and our other styles of auto key boxes. They'll keep your sales staff on the lot selling.



Supra Products, Inc.

P.O. Box 3167, Salem, Or. 97302
(503) 581-9101 (800) 547-0252

(800) 547-0252

THE ADVANTAGE

Forget everything you know about Extended Service Contracts.

Now there's The Advantage from Western Diversified.

This could be the most important ad that you read today. The Advantage and The Advantage Plus extended service contract from Western Diversified is the finest product on the market, and that translates into one word for you. PROFITS.

For your customers. With The Advantage, you are providing your customers with a no-hassle, comprehensive extended service contract that allows them to enjoy their new or used car "worry-free."

For your dealership. The Advantage allows you to achieve maximum profits, the greatest customer satisfaction, with no personal liability.

Western Diversified has been in the Finance and Insurance business over 22 years. They have a commitment to their dealers that has been proven over the test of time. Western Diversified is around for the duration, committed to higher profits for their dealers through better programs. The Advantage and The Advantage Plus extended service contracts are yet another of the quality programs brought to you by Western Diversified. Call us for details, TODAY.



Western Diversified
Services, Inc.
P.O. Box 3017, Northbrook, Illinois 60062
1-800-323-5771

Total climbs 11 pct. for month

Import registrations move upward

By Jenny L. King
Detroit Reporter

Registrations of new imported cars claimed their second largest 1984 segment of the total market in September. At the same time, they dropped 1.70 percentage points from their year-ago penetration as the domestic market continued its sales slump.

Import registrations were up 11.74 percent from the 1983 level in September, with domestics shooting up 21.73 percent to overshadow the imports' gain.

According to figures provided by R. L. Polk & Co., import registrations for September totaled 231,029, up 11.74 percent from 206,747. Domestic numbers were 643,261 vs. 528,420.

Import penetration of 26.42 percent was down from 28.12 percent a year earlier and was second best for 1984 after the 26.74 percent recorded in August.

Honda's 2.34-percentage-point September gain was the most remarkable for any of the top 10 imports, while Nissan let go of 2.40 percentage points and dropped to third from first place.

Toyota was on top for the month, up 0.79 percentage points, to 21.59 percent from 20.80 percent. Mazda was up 0.01 percentage points, Volvo was up 0.32 percentage points and Audi climbed 0.49 percentage points.

Subaru was off 0.10 percentage points, Volkswagen dropped 0.59 percentage points, Mercedes-Benz was down 0.23 percentage points and BMW declined 0.28 percentage points.

The top 10 imports cornered 89.18 percent of the import market in September, up from 88.83 percent in 1983.

Year-to-date import penetration suffered a more dramatic loss, down 3.66 percentage points compared with the first nine months of 1983. Imports earned 24.61 percent this year, 28.27 percent in 1983. Their actual numbers were up 1.52 percent, to 1,881,318 from 1,853,210.

Year-to-date penetration of top-importer Toyota dropped 2.32 percentage points and Nissan was off 2.43 percentage points. Mazda slipped 0.48 percentage points and Subaru was down 0.28 percentage points.

Again, Honda was the winner, up 3.64 percentage points year to year. VW was up 0.88 percentage points; Volvo was up 0.28 percentage points; Mercedes was up 0.04 percentage points; Audi gained 0.91 percentage points, and BMW was up 0.41 percentage points.

The top 10 held 89.82 percent of the year-to-date imports market, up from 89.07 percent in 1983.

Japan, the predominant country of origin, was the source of 74.41 percent of all September imports.

W. Germany supplied 10.72 percent and U.S.-built Hondas and VWs added 8.09 percent. A year ago, 76.58 percent were Japanese, 10.67 percent were German and 6.16 percent were U.S.-built.

Registrations by country of origin were: Sept./Sept.

1984/1983
Japan/171,906/158,323
W. Germany/24,758/22,060
United States/18,686/12,732
Sweden/9,846/7,486
France/2,824/4,116
Great Britain/2,233/1,317
Italy/742/584
Ireland/34/129
TOTAL/231,029/206,747

Japanese cars dropped to 71.75 percent of the year-to-date market from 77.09 percent in 1983. German-built automobiles advanced to 12.55 percent from 10.30 percent, while the U.S. category grew to 8.11 percent from 4.77 percent. Totals from all countries of origin January through September included: 9 months/9 months

1984/1983
Japan/1,349,858/1,428,727
W. Germany/236,099/190,832
United States/152,581/88,359
Sweden/100,348/88,527
France/23,740/37,039
Great Britain/13,344/11,542
Italy/5,046/7,447
Ireland/302/737
TOTAL/1,881,318/1,853,210

Imported-truck registrations were up 41.48 percent September to September, to 73,696 from 52,091. Totals included these makes: Sept./Sept., 1984/1983
Toyota/33,262/20,465
Nissan/14,817/14,439

MARKET SHARES

9 MONTHS 1984 VS. 1983				
Make	1984 Market Share	1983 Market Share	Pct. Change '84 vs. '83	Pct. Change '84 vs. '83
Chrysler	15.65	14.63	+1.02	
Ford	12.42	11.32	+1.10	
Oldsmobile	10.69	10.76	-0.07	
Buick	9.03	9.15	-0.12	
Pontiac	6.87	5.72	+1.15	
Mercury	5.08	4.38	+0.70	
Toyota	4.95	6.33	-1.38	
Honda	4.80	4.49	+0.31	
Nissan	4.69	6.08	-1.39	
Dodge	3.50	3.49	+0.01	
Chrysler	3.10	2.84	+0.26	
Cadillac	3.01	3.17	-0.16	
Plymouth	2.75	3.02	-0.27	
AMC	1.91	2.14	-0.23	
VW	1.61	1.60	+0.01	
Mazda	1.59	1.96	-0.37	
Subaru	1.42	1.68	-0.26	
Lincoln	1.38	1.10	+0.28	
Volvo	0.98	1.05	-0.07	
Mercedes	0.72	0.82	-0.10	
Audi	0.67	0.52	+0.15	
BMW	0.67	0.65	+0.02	
Other Imports	2.51	3.09	-0.58	
Misc. Dom.	0.00	0.01	-0.01	
TOTAL	7,644,804	6,556,402		

Based on new-car registrations from R. L. Polk & Co. Oklahoma and New York, 1984, from manufacturers' sales records. Oklahoma, 1983, not available.

TOP CARS

U.S. registrations for the first nine months of 1984. Oklahoma and New York, 1984, from manufacturers' sales records. Oklahoma, 1983 not available.

1984 Position	Make	1983 Position
1	1,196,173 Chevrolet	959,224 - 1
2	949,806 Ford	741,976 - 2
3	816,975 Oldsmobile	705,135 - 3
4	690,538 Buick	600,077 - 4
5	525,121 Pontiac	375,128 - 7
6	387,946 Mercury	287,708 - 9
7	378,030 Toyota	415,280 - 5
8	366,940 Honda	294,116 - 8
9	358,638 Nissan	398,277 - 6
10	267,299 Dodge	228,991 - 10
11	236,887 Chrysler	186,392 - 13
12	230,060 Cadillac	207,927 - 11
13	210,377 Plymouth	197,905 - 12
14	146,319 AMC	140,248 - 14
15	123,066 VW	104,862 - 17
16	121,484 Mazda	128,702 - 15
17	108,580 Subaru	110,294 - 16
18	105,774 Lincoln	71,960 - 18
19	75,249 Volvo	68,949 - 19
20	55,090 Mercedes	53,596 - 20
21	51,585 Audi	33,944 - 22
22	51,114 BMW	42,725 - 21
	Other	
	191,542 Imports	202,465
	Misc. Dom.	521
	7,644,804 TOTAL	6,556,402

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Copyright, 1984, Automotive News.

IMPORT REGISTRATION SHARES IN U.S.

SEPTEMBER					NINE MONTHS						
	Regis., Sept. 1984	Percent Share of Market	Regis., Sept. 1983	Percent Share of Market	Pct. Pt. Change '84 vs. '83		Regis., 9 mos., 1984	Percent Share of Market	Regis., 9 mos., 1983	Percent Share of Market	Pct. Pt. Change '84 vs. '83
Toyota	49,892	21.59	43,002	20.80	+0.79	Toyota	378,030	20.09	415,280	22.41	-2.32
Honda	45,373	19.64	35,761	17.30	+2.34	Honda	366,940	19.51	294,116	15.87	+3.64
Nissan	43,743	18.93	44,093	21.33	-2.40	Nissan	358,638	19.06	398,277	21.49	-2.43
Mazda	16,100	6.97	14,393	6.96	+0.01	VW	123,066	6.54	104,862	5.66	+0.88
Subaru	13,814	5.98	12,566	6.08	-0.10	Mazda	121,484	6.46	128,702	6.94	-0.48
VW	12,257	5.31	12,197	5.90	-0.59	Subaru	108,580	5.77	110,294	5.95	-0.18
Volvo	7,434	3.22	5,988	2.90	+0.32	Volvo	75,249	4.00	68,949	3.72	+0.28
Mercedes ...	6,097	2.64	5,930	2.87	-0.23	Mercedes ...	55,090	2.93	53,596	2.89	+0.04
Audi	5,757	2.49	4,143	2.00	+0.49	Audi	51,585	2.74	33,944	1.83	+0.91
BMW	5,572	2.41	5,572	2.69	-0.28	BMW	51,114	2.72	42,725	2.31	+0.41
Others	24,990	10.82	23,102	11.17	-0.35	Others	191,542	10.18	202,465	10.93	-0.75

1984 numbers for New York State and Oklahoma from manufacturers' sales records. Oklahoma, 1983, not available.

auction

SOUTH CAROLINA

Bruce Auto Auction & Reem Center—Fleet and Lease car and truck disposal our thing. AAA credit. 803-242-3090, Greenville, South Carolina.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sell every Thursday. Contact: Frank Post, 817-626-5494.

WASHINGTON

South Seattle Auto Auction. The Lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P. O. Box 5189, Kent, Washington 98064.

CANADA

THE BIG/LITTLE CANADIAN STOCK EXCHANGE



WEDNESDAY—10:00 AM

MONTREAL AUTO AUCTION LTD.

325 Rue Norman
Ville St. Pierre
P.Q., Canada H8R 1A3
Phone (514) 483-6000

(Just 10 Minutes from Montreal International Airport)

1200-1500 Cars & Trucks

THURSDAY—10:00 AM

ONTARIO AUTO AUCTION LTD.

406 Lake Ave., N.
Hamilton, Ont., Canada L8E 3C2
Phone (416) 886-4851
(Near Toronto)

500-600 Cars & Trucks

• American Dealers... Call for daily currency exchange rates & information.

• Dealers, Lease Companies, Banks, Finance Companies, Brokers, Daily Rental Companies, Wholesalers, & Corporate Fleets who are not registered with us & require further information...

Call Collect From U.S.A.
or Canada (514) 483-6000

Featuring concept cars, giant-screen film

Ford exhibit slated to tour U.S.

SAN DIEGO.—Marking the 50th anniversary of the San Diego Exposition, where the first Ford V-8 engine was shown, Ford Division sponsored an Experience the Technology exhibit at the Reuben H. Fleet Science Center here in December.

The exhibit featured two Ford advanced-concept cars and a 20-foot model of a Ford communications satellite. The exhibit is scheduled to tour the U.S.

An OMNI-NEWS newsreel, which Ford presented in conjunction with the exhibit, will run in the Space Theater through February.

The newsreel is the first one devoted exclusively to science and technology subjects and produced in the OMNIMAX and IMAX film formats. These feature the largest

motion picture frame ever developed, Ford said.

The newsreel and exhibit are scheduled to tour science centers across the country equipped to show the special film on giant domed (OMNIMAX) or curved (IMAX) screens.

The exhibit and newsreel "bring the viewer one step closer not only to our advances in the automotive industry, but to those related to the environment and safety," said Louis E. Lataif, Ford Division general manager.

The first OMNI-NEWS features Sea World's use of high technology to duplicate an Antarctic environment for its new penguin exhibit; a segment demonstrating the use of computers and aerodynamics in automotive design, and the first OMNIMAX/IMAX film footage shot in outer space by

NASA space shuttle astronauts.

The Experience the Technology exhibit displays two concept cars that incorporate futuristic mid-engine designs and a marked emphasis on aerodynamics: The Ghia Quicksilver and the AC-Ghia, both designed by Ford's Ghia Studio in Turin, Italy.

One purpose of the concept cars is to let Ford designers and engineers experiment with vehicles that really interest them, said Donald F. Kopka, Ford Motor Co. design vice president. The cars also show customers where the company is headed, said Kopka.

The Quicksilver is a five-seat, four-door sports sedan.

In the past, most mid-engine cars have had two-plus-two seating. The Quicksilver's rear seat is wide enough for three people, and the car provides 15.6 cubic feet of

luggage space.

At 179.5 inches, the car is just 3 inches longer than a Mustang.

The AC-Ghia, a luxury mid-engine two-seater sports car, is just 46 inches high and 153 inches long. It features a low front end, an all-steel body that flows into a prominent rear spoiler and two sets of headlamps, one recessed into the front spoiler and the other behind rotating flaps in the front fenders.

Both cars are fully-operational cars and are powered by a transverse-mounted Ford 3-liter V-6 engine with a 5-speed transmission.

Besides the model of a communications satellite, the exhibit also includes a video presentation on the use of satellite navigation in Ford's Concept 100 car, a full-size concept Thunderbird design in fiberglass and a video on the Ford Probe IV passenger car.

Ford said the newsreel and exhibit are scheduled to open in Washington about mid-year.

3 additive firms charged with misblending by EPA

WASHINGTON.—EPA has charged three manufacturers of fuel additives with improperly blending alcohol with gasoline.

The companies are United Energy Co., Phoenix; UEC, Inc., Phoenix, and Sound Energy, Inc., Seattle. They face a combined total of \$4 million in proposed civil penalties, according to EPA.

The firms were investigated after an anonymous source alleged they were improperly manufacturing and blending alcohol additives for use in unleaded gasoline, EPA said. A search of company records reportedly substantiated the allegations.

The illegal product was sold during the last six months of 1982, and additional misblending violations occurred in the spring of 1983, EPA said.

A laboratory test of the blends showed they did not contain an

approved gasoline additive. The firms had claimed to be marketing a brand of methanol-based gasoline additive that had been approved through the EPA's waiver process.

EPA said the improper use of blends leads to higher levels of emissions and may cause excessive wear to vehicle components.

United Energy Co. faces a proposed fine of \$1.31 million. UEC may have to pay \$880,000, and Sound Energy has been notified of a possible fine of \$1.95 million.

EPA's action was the first step in prosecution. Opportunities for rebuttal exist and if a satisfactory settlement cannot be reached, the cases will be referred to the Justice Department.



Ford's AC-Ghia concept car on tour

The AC-Ghia, a concept sports car designed by Ford Motor Co.'s Ghia Studio in Turin, Italy, is featured in Ford Division's Experience the Technology exhibit presented in San Diego in December and scheduled to tour the country. The aerodynamically styled luxury mid-engine car is just 46 inches high and 153 inches long. Wide ducts built into the rear quarter panels and side pillars channel air to cool the rear brakes and the engine.

factories list auction dates

American Motors

Jan. 15—Aptco Auto Auction, Taylor, Mich.

Jan. 17—Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

Jan. 18—Floyd Hauhe, Bridgeport, Mo.

Jan. 22—Highpoint Auto Auction, Highpoint, N.C., and D-A Auto Auction, New Stanton, Pa.

Jan. 23—Southern Auto Auction, E. Windsor, Conn.; Columbus Fair Auto Auction, Obetz, O.; Central States Auto Auction, Mason City, Ia., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Jan. 24—Corry Auto Auction, Corry, Pa.; Evansville Auto Auction, Evansville, Ind.; Todd Auto Auction, Telford, Pa., and Northstar Auto Auction, Shakopee, Minn.

Jan. 29—Aptco Auto Auction, Taylor, Mich.

Jan. 31—Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

Chrysler Corp.

Jan. 15—Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; NuCar Prep System, Santa Fe Springs, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

Jan. 16—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction,

Obetz, O.; Southwest Auto Auction, Phoenix, and South Seattle Auto Auction, Kent, Wash.

Jan. 17—Northway Exchange, Clifton Park, N.Y.; 166 Auto Auction, Springfield, Mo.; Atlanta Auto Auction, Red Oak, Ga.; Evansville Auto Auction, Evansville, Ind., and Arena Auto Auction, Chicago.

Jan. 18—Concord Auto Auction, Acton, Mass.

Ford Motor Co.

Jan. 16—Columbus Fair Auto Auction, Obetz, O.; Concord Auto Auction, Acton, Mass., and Southwest Auto Auction, Phoenix.

Jan. 17—Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

Jan. 22—Aptco Auto Auction, Taylor, Mich.

Jan. 23—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

Jan. 24—166 Auto Auction, Springfield, Mo.

Jan. 30—Northway Exchange, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

General Motors

Jan. 16—Hatfield Auto Auction, Hatfield, Pa.; Northstar Auto Auction, Shakopee, Minn., and Brasher's Salt Lake Auto Auction, Salt Lake City.

Jan. 17—Nashville Auto Auction, Nashville.

Jan. 22—Southern Auto Auction, E. Windsor, Conn.

Jan. 23—Metro Auto Auction, Kansas City, Mo.; Clanton's Auto Auction, Darlington, S.C., and Golden Gate Auto Auction, Fremont, Calif.

Jan. 24—Indianapolis Auto Auction, Indianapolis.

Jan. 30—Denver Auto Auction, Englewood, Colo.

Jan. 31—Butler Auto Auction, Gibsonia, Pa., and Arena Auto Auction, Chicago.

Model Breakdown Auction Averages

	JAN. 1985	DEC. 1984	NOV. 1984
1985	\$13,050		
1984	8,921	9,531	9,945
1983	5,706	6,760	6,999
1982	5,103	5,112	5,586
1981	4,388	4,454	4,823
1980	3,216	3,528	3,813
1979	2,742	2,932	3,110
1978	1,921	2,047	2,282
Overall Average	\$4,852	\$4,983	\$4,923

Used Car Sales

Auction Averages

January to date	\$4,852
Month ago	\$5,192
Year ago	\$5,244

TIME AUTO TRANSPORT

1-800-624-2021

313-545-2200 or 305-463-7024
or New Jersey 201-370-2070

1. 48 State ICC Auto Transp. Co.
2. Floating truck fleet covering 48 states
3. Fast, Competitive, Dependable Service

1-800-624-2021

Slow season; supply rises to 63-day level

Domestic-car stocks rise to 11-month high

Continued from Page 1

dealers ordering cars before the model goes down for its move to Canada.

The heavy stock of Fieros was caused by both decreased sales and a large production increase.

The Jan. 1 inventory was split this way: GM, 45.44 percent; Ford, 31.08 percent; Chrysler, 18.72 percent; AMC, 3.85 percent; Volkswagen, 0.76 percent, and Honda, 0.15 percent.

One month earlier, the split was GM, 45.54; Ford, 31.56; Chrysler, 18.61; AMC, 3.50; VW, 0.87, and Honda, 0.12.

Charges dropped against Honda in income-tax case

WASHINGTON.—The IRS has dropped charges against Honda Motor Co. alleging that the company underpaid U.S. income taxes during the years 1975 to 1978.

In a notice to the company sent Dec. 10, the IRS said there is no deficiency in income tax due.

With Honda dropped from the investigation, only Toyota Motor Corp. and Nissan Motor Co. remain in the tax investigation which has been ongoing for nearly six years. At issue is whether the two companies sold their products to their U.S. marketing subsidiaries at alleged higher than "arms-length" prices, thereby increasing the subsidiaries' costs and reducing their taxable profits.

Late last year Nissan's boss, Takashi Ishihara, told reporters in Tokyo that he expected the IRS to levy a fine of several hundred million dollars against his company and Toyota soon. Industry sources indicated previously to AUTOMOTIVE NEWS that the amount could be as high as \$300 million for Toyota and \$200 million for Nissan.

Meanwhile, the dropping of Honda from the investigation weakens the argument made by both Toyota and Nissan that the tax issue is one that should be dealt with through government-to-government negotiations, a position that the U.S. Government has resisted, sources said.

GM relaxing its rules on holding of franchises

Continued from Page 1

know a lot more about the feasibility of that type of marketing by the time the Saturn comes out.

"How the new franchises will sell cars is wide open," said Joseph Sanchez, new president of Saturn Corp. "We are looking at shopping malls and different ways of using vehicles. We will be looking at all of them, but nobody is monitoring any specific system right now."

It is also possible that consumers will be able to buy an insurance policy on top of the three-year warranty to guarantee the workability of their new vehicle, Sanchez said. It is possible that GM's new subsidiary, Electronic Data Systems, with its expertise in computer data processing, will play a major role in creating one-stop shopping for the car buyer.

"It is possible that over the next three years you won't have to write a check for anything and

The shares by size class on Jan 1 were: Subcompact, 22.06 percent; compact, 23.65 percent; intermediate, 27.97 percent; standard, 17.21 percent, and luxury, 9.11 percent.

On Dec. 1, the percentages were: Subcompact, 21.85; compact, 24.02; intermediate, 28.04; standard, 16.89, and luxury, 9.20.

The month opened with an 83-day supply of subcompacts. The days' supplies by nameplate: Domestic Accords, 6; Pontiac 1000, 51; Chevette, 58; domestic VWs, 71; Escort, 71; Omni, 92; Lynx, 95; Horizon, 103; Charger, 111; Turismo, 112; Fiero, 118; Daytona, 123; Encore, 129; EXP, 129; Laser, 135, and Alliance, 147.

There was a 52-day supply of intermediates: Pontiac 6000, 28; Grand Am, 29; Cutlass Ciera, 31; Cutlass Supreme, 33; Century, 37; Celebrity, 39; Monte Carlo, 50; Thunderbird, 50; Bonneville, 51; Regal, 52; Skylark, 61; Cougar, 62; Caravelle, 63; Calais, 65; Grand Prix, 66; Somerset Regal, 70; Dodge 600, 77; LTD, 77; New Yorker E, 81; Marquis, 83; Phoenix, 83; LeBaron GTS, 85; Lancer, 93, and Citation, 102.

There was an 80-day supply of standard-size cars: Oldsmobile 88, 47; LeSabre, 60; Chevrolet, 78; Parisienne, 84; Diplomat, 86; Crown Victoria, 114; Grand Marquis, 116, and Gran Fury, 128.

The luxury-car segment's average days-supply was 47, broken down this way: Electra, 33; Cadillac, 35; Oldsmobile Ninety-Eight, 37; Seville, 43; Lincoln, 44; Riviera, 45; Eldorado, 52; Corvette, 55; Fifth Avenue, 66; Toronado, 67; Continental, 72, and Mark VII, 78.

2 AMC deals add lines; another opens

LOS ANGELES.—American Motors' Los Angeles zone has announced expanded product lines at two San Diego dealerships and one new dealership opening in San Diego.

Tower AMC-Renault has added the Jeep lineup; Peck Buick-Jeep now offers Renault products, and Rancho AMC-Jeep-Renault has opened.

you will always have transportation," he said. "It will be a function of the cost of that car. I am not saying that is the direction we are going in but it is one of the possibilities."

"We have got to start doing things differently if we are going to continue to be a U.S. manufacturer in passenger cars. Otherwise the most competitive and aggressive of our competitors overseas are going to take the market away from us, not only here but overseas as well."

The Saturn franchising system should be looked at as a way to make all dealerships stronger, even those who do not get the car to sell, McDonald said.

"Saturn by itself was only important if we were to take all of the things that we learned from Saturn and move them eventually into the rest of our operations," he said.

NEW-CAR STOCKS

	Jan. 1, 1985	Dec. 1, 1984	Jan. 1, 1984
Alliance	147	84	117
Encore	129	84	74
Eagle	99	73	54
AMERICAN MOTORS	133	82	87
Caravelle	63	48	.....
Horizon	103	88	59
Reliant	89	82	67
Turismo/TC-3	112	87	79
Plymouth	128	107	39
Plymouth Total	94	81	66
LeBaron	81	69	63
LeBaron GTS	85	150	.....
Laser	135	114	71
Fifth Avenue	66	60	54
N. Yorker E/Class	91	70	56
Chrysler Total	84	75	63
Omni	92	60	59
Daytona	123	94	82
Charger/024	111	87	105
Aries	89	78	72
400/600	77	65	68
Lancer	93	167	.....
Diplomat	86	113	49
Dodge Total	93	84	76
CHRYSLER CORP.	90	80	69
EXP	129	114	88
Escort	71	65	62
Tempo	64	70	79
Mustang	43	48	93
Thunderbird	50	64	77
LTD	77	66	45
Crown Victoria	114	99	59
Ford Division	71	70	68
Lynx	95	64	82
Topaz	76	58	89
XR7/Cougar	62	55	102
Marquis	83	65	75
Grand Marquis	1116	104	57
Capri	89	93	140
Total Mercury	88	72	84
Continental	72	88	57
Lincoln	44	50	32
Mark VII	78	87	98
Lincoln Total	53	62	61
FORD MOTOR	73	70	71
Skyhawk	54	41	106
Skyline	61	61	111
Century	37	39	66
Regal	52	43	68
Somerset Regal	70	67	.....
LeSabre	60	56	51
Electra	33	31	50
Riviera	45	39	62
Buick Division	50	46	70
Cimarron	54	61	101
Eldorado	52	46	34
Cadillac	35	34	41
Seville	43	39	41
Cadillac Division	41	39	41
Chevette	58	64	69
Cavalier	46	44	64
Citation	102	100	86
Camaro	83	68	63
Celebrity	39	41	65
Monte Carlo	50	42	88
Chevrolet	78	70	80
Corvette	55	49	42
Chevrolet Division	59	56	67
Firenza	70	61	123
Cutlass Ciera	31	27	48
Cutlass Supreme	33	34	55
Calais	65	64	.....
Olds 88	47	51	40
Olds 98	37	39	44
Toronado	67	58	41
Oldsmobile Division	41	41	53
Fiero	118	71	19
1000	51	67	106
2000 Sunbird	54	47	82
Phoenix	83	60	106
Firebird	63	47	69
6000	28	35	50
Bonneville	51	61	77
Grand Am	29	28	.....
Grand Prix	66	66	68
Pontiac	84	86	88
Pontiac Division	55	52	64
GENERAL MOTORS	51	49	62
VOLKSWAGEN	71	56	92
HONDA	6	4	21
Total Cars U.S.	63	58	66
SUBCOMPACT	83	68	68
COMPACT	65	59	75
INTERMEDIATE	52	50	68
STANDARD	80	76	53
LUXURY	47	46	46

American Honda builds center in Ohio

GARDENA, Calif.—American Honda Motor Co., Inc., will build a repackaging and distribution center on a 69-acre site in Troy, O. The \$9-million facility will employ about 75 persons when full operation is reached.

The center will receive automotive and motorcycle parts from Honda's manufacturing plant near Marysville, O., as well as from domestic and foreign suppliers.



Chevy signs Hanson

Alfred R. Hanson Jr. signs for Al Hanson Chevrolet-Buick-Oldsmobile, Inc., Sandusky, Mich. Witnessing are, from left, A.J. Avram, Chevrolet district sales manager, and L.M. Hall, Flint zone manager.

New models in U.S. debut at Los Angeles Auto Show

Continued from Page 1

its CaliFormula marketing effort for California.

"California is the Number One auto-buying market in the country," Greb said. "The intense competition from imports, the large population and the potential for outstanding automotive sales are all elements we have taken into consideration in continuing our statewide program."

This means AMC will again be committing \$10 million in advertising to the CaliFormula campaign.

In addition, the company will continue its program of adding dealer points in the state. AMC added 14 franchises in 1984 and Greb hopes to add 15 more this year.

Renault Encore is also being offered with California-only limited options such as sunroof, stereo and power steering included at no extra cost.

Called Encore GS, the package is being sold for \$7,560. The company also lowered prices on base Alliance models to have a \$5,767 entry in the market.

J. Michael Losh, Pontiac general manager, said his division's image cars are well accepted in California and that Grand Am is the best selling GM20 car.

Losh said Grand Am currently stands at a 13-day supply and that although Pontiac is pegged at 28 percent of production, the division is responsible for 40 percent of GM20 sales.

The quick turn in sales, Losh said, is why Grand Am is outpacing Oldsmobile Calais and Buick Somerset Regal. He added that Pontiac may be able to increase its share of the production run because of the car's initial success.

Erich Bitter, the German luxury-car builder, used the L.A. show for the debut of his new four-door sedan. With an anticipated sticker price of about \$55,000 when it goes on sale next spring, the Bitter sedan is a stretched version of the coupe.

Using Opel Senator components, the Bitter four-door can be equipped with either a 3.0- or 3.9-liter in-line six-cylinder engine.

Ed Swart, who directs Bitter sales in the West, reported that California certification had recently been granted to the company and that Bitter sales have begun here. Previously, the cars could be sold only outside California.

Also displayed in the specialty

car/limo tent was a 52-inch stretch Accord LX limousine built by Marquis Custom Coach, of Canoga Park, Calif. Owner Jules Kaplan formerly built the Moselle neo-classic and has moved into conversions.

Kaplan said the conversion work includes stretching the overall length of the vehicle from 175.4 to 227.4 inches. The rear doors have also been lengthened 13 inches to improve entry and exit.

About 800 pounds have been added to the car in strengthening materials and interior appointments. The base 1.8-liter powerplant is left intact. Kaplan said he uses heavier-duty springs, and the configuration remains front-drive.

Marquis works primarily through dealers, converting the Accords for them. Typically, the stretch limos retail in the high \$20,000s to low \$30,000s, Kaplan said.

Honda has bought one of the vehicles and shipped it to Japan for use by the parent company.

Jeep tracks said to attract new customers

Continued from Page 18

cost some \$3,000 and was built on the day after Thanksgiving. The dealership, he added, had all the materials and needed only a bulldozer to build the course.

Designed with the help of Mark Smith, a California Jeep enthusiast who works with AMC on the dealer track program, the course covers a 250-foot square area.

Smith has driven in the Jeepers Jamboree, an event covering about 26 miles over the similarly rugged Rubicon Trail from Georgetown, Calif., to Lake Tahoe, Nev., for more than 25 years.

Scott said the dealership plans to invite the public to a track promotion this year, and hopes to get 2,000 people to attend the event.

He said Neal Pope AMC-Jeep-Renault in Atlanta, held an open house at its dealership/track which attracted 3,000 people and sold 30 Jeeps.

Scott claimed the Taylor track has been responsible for several sales since it was completed.

In fact, he said the first demo model used on the track has been sold.

Imports set record for year

Domestic sales up 17 pct. for '84

Continued from Page 2

up 11.42 percent, to 941,611 from 845,083, and Oldsmobile again broke the one-million barrier with sales of 1,056,053 in 1984 compared with 1,007,559 in 1983.

Chrysler was up 25.92 percent in 1984, Dodge was up 17.61 percent and Plymouth was up 8.90 percent year to year.

Ford reported a 22.67-percent sales gain, Mercury was up 28.76 percent and Lincoln was up 49.13 percent.

In addition to the Buick and Oldsmobile increases, GM reported a 27.40-percent sales gain for Pontiac, a 16.16-percent gain for Chevrolet and a 6.55-percent increase for Cadillac.

Imports with record passenger-car sales for the year included Peugeot, Jaguar, BMW, Saab, Volvo, Subaru and Mercedes-Benz. BMW's record capped 11 consecutive years of sales increases in the U.S. and included an any-month peak in December.

Mercedes and Jaguar also set any-month sales records in December. The 1984 sales increase for Audi was 48.61 percent, Volkswagen imports were up 34.37 percent,

Honda imports were up 7.17 percent and Toyota was up 0.40 percent.

Mazda sales declined 2.15 percent, Nissan was off 7.01 percent and Renault plunged 63.16 percent. Mitsubishi was up 19.38 percent, Alfa Romeo was up 23.32 percent and Isuzu dropped 16.87 percent.

Fourth-quarter domestic sales were only 2.03 percent ahead of the last quarter of 1983: 1,850,927 vs. 1,814,142.

U.S. new-car sales in December were up 1,251 units from the same month a year earlier, or plus 0.22 percent, to 560,672 from 559,421. On a daily-rate basis, sales were up 4.23 percent, to 22,427 from 21,516 units per selling day. There

were 25 selling days in 1984, 26 days in 1983.

Chrysler, Ford and Honda continued to make gains the last month of the calendar year as the competition gave ground. Chrysler sales were up 7.85 percent, to 73,233 from 67,901. Ford reported sales of 150,110 new cars, up 7.65 percent from 139,437. Honda was up 30.53 percent, to 9,112 from 6,981.

GM's sales dropped 2.59 percent for the month, to 314,186 from 322,525. AMC was down 37.15 percent, to 10,269 from 16,338, and VW tumbled 39.70 percent, to 3,762 from 6,239.

Chrysler's share of the December market grew to 13.06 percent from 12.14 percent. Ford was up to 26.77 percent from 24.93 percent. Honda climbed to 1.63 percent from 1.25 percent. GM was pushed down to 56.04 percent from 57.65 percent, AMC was down to 1.83 percent from 2.92 percent and VW held 0.67 percent compared with 1.11 percent a year earlier.

Makes reporting improved December sales included Chrysler, up 13.73 percent; Dodge, up 8.81 percent; Plymouth, up 0.69 percent; Ford, up 1.77 percent; Mercury, up 9.45 percent; Lincoln, up 77.11 percent, and Buick, up 19.47 percent.

Chevrolet was down 10.61 percent for the month, Cadillac was down 4.84 percent, Oldsmobile was down 6.88 percent and Pontiac was down 0.73 percent. AMC sales were down 46.52 percent and Renault dropped 34.95 percent.

• The December market-class chart had imports with the largest single segment of the total, 26.18 percent. Intermediates were second at 25.26 percent, followed by compacts with 17.07 percent, subcompacts at 12.39 percent, standards at 10.04 percent and luxury models at 9.06 percent.

A year earlier imports claimed 25.64 percent of the month's market, intermediates had 25.37 percent, compacts had 17.43 percent, subcompacts had 14.35 percent, standards had 9.12 percent and luxury models had 8.09 percent.

Excluding imports, the December, 1984, market featured intermediates with 34.22 percent, compacts with 23.13 percent, subcompacts with 16.78 percent, standards with 13.60 percent and luxury cars with 12.27 percent.

Import sales, notching a December record, were up 2.91 percent, to 198,814 from 193,193. The total included individual records for BMW, Jaguar, Mercedes, Peugeot and Saab.

Late-December domestic sales, hampered by the loss of a selling day compared with 1983, dropped 12.88 percent, to 179,993 from 206,610. On a daily-rate basis, Dec. 21-31 sales were off 2.00 percent, to an average of 22,499 per day from 22,957.

GM dropped 19.06 percent, Ford was up 2.51 percent, Chrysler was off 4.07 percent, AMC was down 52.46 percent, VW dropped 44.40 percent and Honda was up 33.88 percent.

Where auto market was, December, 1984

	Total Sales	Pct. of Total
SUBCOMPACT	94,099	12.39
COMPACT	129,650	17.07
INTERMEDIATE	191,863	25.26
STANDARD	76,246	10.04
LUXURY	68,814	9.06
IMPORTS	198,814	26.18
TOTAL	759,486	100.00

DOMESTIC CAR SALES

	Dec. 21 to Dec. 31, 1984	Same Period, 1983	Dec. 1984	Same Month, 1983	Jan. 1 to Dec. 31, 1984	Same Period, 1983
Alliance	2,009	—	4,920	6,927	100,366	126,008
Encore	1,000	—	3,689	6,307	60,235	20,182
Total Renault	3,009	—	8,609	13,234	160,601	146,190
Spirit	—	—	—	193	—	4,441
Concord	—	—	—	192	—	11,513
Eagle	860	—	1,660	2,719	20,654	31,207
Total AMC	860	—	1,660	3,104	20,654	47,161
AMERICAN MOTORS	3,869	8,138	10,269	16,338	190,255	193,351
Horizon	1,749	2,290	5,755	5,663	78,298	56,763
Turismo	894	1,231	2,841	2,907	47,109	36,497
Reliant	2,676	4,539	8,872	11,980	136,154	157,247
Caravelle	820	—	2,697	—	9,074	—
Plymouth	333	166	1,006	476	16,809	15,101
Total Plymouth	6,472	8,226	21,171	21,026	289,244	265,608
Laser	1,093	1,353	3,267	3,769	53,131	11,097
LeBaron K	2,148	2,175	6,452	5,916	98,830	80,309
LeBaron GTS	888	—	1,788	—	2,494	—
Cordoba	—	41	—	156	136	10,352
Fifth Avenue	2,668	1,722	8,153	4,852	94,340	73,729
E-Class	1,623	852	4,737	2,247	40,265	35,283
New Yorker	—	1,666	—	4,511	39,303	50,091
Total Chrysler	8,420	7,809	24,397	21,451	328,490	280,861
Total Imperial	—	—	—	—	—	1,176
Omni	1,665	2,073	4,796	5,000	67,933	50,451
Charger	1,068	1,164	3,072	3,283	51,940	45,975
Daytona	894	1,167	2,830	3,142	44,717	8,761
Aries	3,053	3,462	7,928	9,539	111,984	119,400
Lancer	518	—	1,423	—	1,980	—
Dodge 400-600	—	487	—	1,413	18,953	28,488
Diplomat	948	162	3,164	492	26,623	22,603
Mirada	—	39	—	124	282	4,417
Dodge 600	1,492	962	4,453	2,431	42,843	33,882
Total Dodge	9,638	9,536	27,665	25,424	369,255	313,977
CHRYSLER CORP.	24,530	25,571	73,233	67,901	986,986	841,622
EXP	978	440	2,718	924	31,213	19,574
Escort	9,434	10,729	26,841	26,641	353,578	326,333
Mustang	4,736	3,275	12,236	8,678	138,296	116,976
Tempo	8,041	7,729	21,360	21,730	256,532	136,148
Fairmont	—	—	—	—	—	37,521
Granada	—	—	—	—	—	3,751
Thunderbird	4,848	5,953	13,430	14,657	154,865	134,710
LTD	4,495	6,580	12,619	16,630	166,907	165,396
Crown Victoria	4,023	3,585	11,388	9,665	168,253	119,905
Total Ford Division	36,555	38,291	100,675	98,925	1,300,644	1,060,314
LN7	—	—	—	—	—	4,684
Lynx	1,721	2,237	4,839	5,257	67,725	78,876
Topaz	1,668	1,915	4,753	6,090	73,454	41,796
Zephyr	—	—	—	—	—	11,583
Cougar '82	—	—	—	—	—	906
Cougar	3,070	2,818	8,839	8,195	120,964	87,027
Capri	470	478	1,408	1,347	17,739	22,708
Marquis	2,247	1,955	6,543	5,424	103,722	65,184
Grand Marquis	3,355	2,500	9,720	6,671	143,594	96,659
Total Mercury	12,531	11,903	36,102	32,984	527,198	409,433
Continental	1,168	522	2,472	1,424	31,110	13,691
Lincoln	3,106	1,065	9,188	3,351	90,869	59,626
Mark VII	614	1,068	1,673	2,753	29,496	28,257
Total Lincoln	5,088	2,655	13,333	7,528	151,475	101,574
Total L-M Division	17,619	14,558	49,435	40,512	678,673	511,007
FORD MOTOR	54,174	52,849	150,110	139,437	1,571,321	1,271,321
Skyhawk	1,687	1,772	6,106	4,322	121,858	72,998
Skyline	2,086	2,414	7,566	6,542	104,589	102,763
Somerset Regal	1,311	—	4,779	—	13,811	—
Century	4,064	4,111	16,292	11,746	217,042	150,280
Regal	2,410	4,307	8,865	12,872	182,185	234,035
LeSabre	3,388	3,698	12,047	10,287	164,314	151,555
Electra	1,202	1,703	5,811	5,032	84,414	80,106
Riviera	891	1,330	4,102	4,082	53,398	53,346
Total Buick	17,039	19,335	65,568	54,883	941,611	845,083
Cimarron	421	511	989	1,473	18,014	19,186
Seville	1,016	864	2,929	3,035	35,349	33,522
Cadillac	5,018	4,587	14,380	14,623	195,177	176,003
Eldorado	2,025	1,729	5,516	5,893	70,577	71,624
Total Cadillac	8,480	7,691	23,814	25,024	320,017	300,337
Chevette	2,935	6,551	9,928	15,364	164,917	178,759
Cavalier	7,706	9,579	26,325	24,097	377,446	259,397
Citation	1,492	2,720	5,025	6,973	92,174	92,379
Camaro	3,845	5,166	13,231	13,342	202,172	178,266
Celebrity	5,837	8,388	22,045	20,942	322,198	180,627
Mailbu	—	202	—	516	881	35,148
Monte Carlo	1,810	4,169	5,760	10,230	115,930	105,797
Chevrolet	4,968	7,330	16,456	20,136	258,902	238,930
Corvette	842	822	3,079	2,341	30,424	28,144
Total Chevrolet	29,435	44,927	101,849	113,941	1,565,143	1,347,447
Firenza	1,346	1,278	3,969	3,141	62,456	44,753
Omega	0	1,314	0	3,111	34,103	49,818
Calais	2,211	—	6,145	—	14,881	—
Cutlass Ciera	5,711	7,023	17,365	16,942	242,209	191,720
Cutlass Supreme	4,725	9,057	16,468	24,458	302,067	331,179
Olds 98	4,946	5,548	16,942	16,592	258,297	228,770
Olds 98	2,601	2,589	8,508	9,217	100,419	119,528
Toronado	986	1,905	3,003	4,288	41,805	41,791
Total Oldsmobile	22,526	28,714	72,401	77,749	1,056,053	1,007,559
Fiero	1,128	1,951	3,349	7,089	93,485	22,591
1000	753	789	2,306	2,261	28,004	34,173
Sunbird	2,304	2,515	7,862	8,157	126,916	88,313
Phoenix	81	426	271	1,453	19,202	24,362
Firebird	2,067	1,966	6,499	7,198	101,414	90,777
Grand Am	1,873	0	5,925	—	16,751	—
8000	3,063	2,405	10,433	8,656	125,828	92,513
Bonneville	1,369	1,618	4,137	6,130	65,367	84,122
Grand Prix	1,353	1,750	4,179	6,000	71,808	89,355
Parisienne	1,800	1,150	5,523	3,984	62,084	26,929
Total Pontiac	15,791	14,570	50,554	50,928	704,684	553,135
GENERAL MOTORS	93,271	115,237	314,186	322,525	4,587,508	4,063,561
VOLKSWAGEN	1,632	2,935	3,762	6,239	73,838	85,045
HONDA	2,517	1,880	9,112	6,981	133,601	50,402
DOMESTIC TOTAL	179,993	206,610	560,672	559,421	7,951,517	6,795,302
IMPORT TOTAL	—	—	198,814	193,193	2,440,258	2,382,799
INDUSTRY TOTAL	—	—	759,486	752,614	10,391,775	9,178,101

*AMC does not provide 10-day running sales.

Mitsubishi names Nash vice president

FOUNTAIN VALLEY, Calif.—Mitsubishi Motor Sales of America, Inc., has announced the appointment of Garrett J. (Mike) Nash as staff vice president—marketing services.

Nash was the first director of advertising at MMSA, appointed in 1982, shortly after the company's incorporation. He succeeds Robert L. Morgan, who moves to MMSA's advertising agency.

IMPORTED CAR SALES

	Dec. 1984	Dec. 1983	12 Mos., 1984	12 Mos., 1983
Alfa Romeo	302	185	3,702	3,002
Audi	5,780	5,200	71,237	47,934
BMW	8,135	6,226	70,897	59,243
Chevrolet Spectrum	1,365	—	2,077	—
Chevrolet Sprint	1,270	—	10,927	—
Dodge Colt	3,301	3,213	36,560	39,158
Dodge Conquest	195	446	3,725	14,024
Dodge Vista	673	751	7,805	2,311
Fiat	—	—	—	4,489
Honda	26,836	25,451	374,819	350,670
I.A.I.	—	—	—	—
Isuzu	1,192	1,658	17,233	20,731
Jaguar	2,139	1,789	18,044	15,815
Lancia	—	—	—	513
Maserati Biturbo	90*	—	—	2,023
Mazda	13,462	12,739	169,666	173,388
Mercedes-Benz	9,086	7,865	79,222	73,692
Mitsubishi	2,952	3,047	39,104	32,755
Nissan	37,820	37,424	485,298	521,902
Peugeot	1,995	1,525	20,007	15,241

14 assembly plants work Saturday

Auto output at pre-holiday level

By Louise Kerien
Detroit Reporter

During the first full work week this year, with Saturday overtime reported at 14 plants, U.S. auto makers targeted the high level of production reached before the holiday break.

Scheduled output of 185,283 cars last week was 65.90 percent more than the 111,682 for the three-day week that began the year and 23.49 percent better than the 150,035 for the year-ago week.

Year-to-date, 296,965 cars have been assembled, 3.96 percent more than the 285,648 built at this point last year.

Companies shared last week's estimated production as follows: General Motors, 58.61 percent; Ford Motor Co., 22.08 percent; Chrysler Corp., 14.19 percent; American Honda, 1.95 percent; American Motors, 1.94 percent; Volkswagen of America, 1.12 percent; and New United Motor Mfg., Inc., 0.11 percent.

GM scheduled two overtime shifts Saturday (Jan. 12) at its plants in Lansing (Oldsmobile Plant 1); Flint (Buick B and G Lines); Fairfax, Kans.; Framingham, Mass.; Janesville, Wis.; Lakewood, Ga.; Linden, N.J.; Lordstown, O.; Wilmington, Del.,

and Oklahoma City.

One overtime shift was scheduled Saturday at GM plants in Lansing (Oldsmobile Plant 2) and Orion Township, Mich.

Chrysler also scheduled Saturday overtime at its plant in Sterling Heights, Mich.

The plant is scheduled to operate a nine-hour daily shift this week (Jan. 14).

Honda scheduled 10 hours of overtime Saturday at its plant in Marysville, O.

7,773,496 cars built in '84, companies report

DETROIT.—Calendar year totals released by auto makers place 1984 U.S. auto output at 7,773,496 units, up 9.30 percent over 1983's 7,112,352.

General Motors reported 1984 production of 4,344,783 cars; Ford Motor Co., 1,775,314; Chrysler Corp., 1,247,826; American Motors, 192,196; American Honda, 138,572; Volkswagen of America, 74,785; and New United Motor Mfg., Inc., 20.

Lane to head Oldsmobile; Pontiac names Schlesinger

General Motors last week promoted William W. Lane to general manager of Oldsmobile and elected him a vice president of the corporation.

Lane, 55, succeeds Joseph J. Sanchez in the top job at Oldsmobile. Sanchez has been appointed president of GM's newly formed Saturn Corp.

Succeeding Lane as Pontiac general sales and service manager is Elwood M. Schlesinger, 46, who has been director of planning for Oldsmobile since last October.

In his new position, Lane is returning to the division where he spent 28 years of his 31-year GM career. He joined Oldsmobile in 1953 and became Southwest regional manager in 1973.

He was promoted to assistant general sales manager for the

Western U.S. in 1977 and moved to the similar job for the East in 1980.

Lane was named Pontiac general sales manager in 1981. Last September, his responsibility was broadened to include service as well as sales.

Schlesinger has been with Oldsmobile since 1962. After a number of field and central office assignments, he was named Southwest regional manager in 1977.

He was appointed assistant general sales manager for the Western U.S. in 1980 and assistant general sales manager for marketing and dealer activities in 1981. He held that post until he became director of planning.

Also at Pontiac, William E. Enockson was promoted to assistant general sales and service manager for marketing, merchandising and operations. He formerly was Western regional manager. Enockson succeeds John G. Middlebrook, now sales, service and marketing vice president for Saturn.

Jack R. Losch replaced Enockson as Western regional manager for Pontiac, and Dwight R. Logie succeeded Losch as Midwest regional manager. Logie was Chicago zone manager.



William W. Lane



Elwood M. Schlesinger

CANADIAN CAR PRODUCTION

	Week Ended Jan. 12, 1985	Week Ended Jan. 14, 1984	Week Ended Jan. 5, 1985	Jan. 1 to Jan. 14, 1984	Jan. 1 to Jan. 12, 1985
AMERICAN MOTORS	607	366	366	1,088	366
FORD MOTOR	10,922	4,384	6,045	16,967	16,967
GENERAL MOTORS	8,835	13,635	4,895	23,378	13,730
VOLVO	225	225	135	360	360
Total Cars, Canada	19,982	18,851	11,441	31,423	31,423

TRUCK PRODUCTION IN U.S.

	Week Ended Jan. 12, 1985	Week Ended Jan. 14, 1984	Week Ended Jan. 5, 1985	Jan. 1 to Jan. 14, 1984	Jan. 1 to Jan. 12, 1985
CHEVROLET	23,152	20,161	13,863	37,015	37,015
DODGE	4,600	4,105	2,173	6,773	6,773
FORD	20,055	23,130	12,715	32,770	32,770
GMC	5,967	6,616	3,331	9,298	9,298
INTERNATIONAL	1,636	1,236	932	2,568	2,568
JEEP	4,125	3,374	1,676	5,801	5,801
NISSAN	2,200*	1,645	1,109	3,309	3,309
AM GENERAL	50*	50*	30*	80*	80*
MISCELLANEOUS	2,100*	1,000*	1,260*	3,360*	3,360*
Total Trucks, U.S.	63,885	61,317	37,089	100,574	100,574

CANADIAN TRUCK PRODUCTION

	Week Ended Jan. 12, 1985	Week Ended Jan. 14, 1984	Week Ended Jan. 5, 1985	Jan. 1 to Jan. 14, 1984	Jan. 1 to Jan. 12, 1985
CHRYSLER CORP.	8,568	4,656	5,818	14,386	14,386
FORD MOTOR	3,646	3,326	2,012	5,660	5,660
GENERAL MOTORS	6,246	6,338	3,844	10,082	10,082
INTERNATIONAL	202	115	127	340	340
Total Trucks, Canada	18,662	14,435	11,801	30,467	30,467
N. American Trucks	82,551	75,752	48,890	131,441	131,441

* — New includes wheel-on production. * — Estimated.
Jeep includes commercial only. All General includes government-owned vehicles.
Miscellaneous includes estimates for Mack, Volvo-Trucks, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

U. S. CAR PRODUCTION

	Week Ended Jan. 12, 1985	Week Ended Jan. 14, 1984	Week Ended Jan. 5, 1985	Jan. 1 to Jan. 14, 1984	Jan. 1 to Jan. 12, 1985
AMERICAN MOTORS	3,800	4,124	3,800	4,800	3,800
Renault Total	3,800	4,124	3,800	4,800	3,800
Alliance	2,500	2,006	2,500	2,400	2,500
Encore	1,100	2,118	1,100	2,400	1,100
CHRYSLER CORP.	26,300	24,441	18,989	42,989	42,989
Plymouth Total	6,700	7,799	4,585	11,285	11,285
Horizon	2,400	3,361	1,624	4,024	2,585
Reliant	2,800	4,081	1,933	4,733	4,733
Caravelle	1,200	140	743	1,943	278
Gran Fury	300	217	285	585	576
Chrysler Total	9,800	7,304	6,172	15,972	14,870
LaBaron	2,500	2,010	1,480	3,980	3,980
LaBaron GTS	1,600	1,015	1,015	2,615	2,615
Laser	1,100	1,940	731	1,831	1,831
New Yorker E-Class	1,400	1,864	942	2,342	2,342
Fifth Avenue	3,200	1,490	2,104	5,304	5,304
Dodge Total	9,800	9,338	5,932	15,732	14,325
Omni	3,000	2,932	1,726	4,726	4,726
Aries	2,600	3,000	1,471	4,071	5,080
Daytona	900	1,661	567	1,467	2,941
Dodge 600	1,500	1,484	863	2,363	2,363
Lancer	1,200	855	2,055	2,055	2,055
Diplomat	600	261	450	1,050	278
FORD MOTOR	40,910	21,119	24,536	65,446	50,727
Ford Division	26,206	13,103	16,020	42,226	33,646
Escort	6,610	5,215	4,117	10,727	11,611
Mustang	3,604	2,162	5,786	2,551	5,786
LTD	5,567	4,810	3,380	8,947	8,320
Thunderbird	3,967	317	2,430	6,427	3,806
Crown Victoria	2,190	2,018	1,152	3,342	3,671
EXP	553	743	327	880	1,175
Tempo	3,685	2,452	2,837	2,715	2,837
L-M Division	14,704	8,016	8,516	23,220	17,078
Mercury Total	11,000	4,778	6,398	17,489	17,489
Lynx	1,852	1,044	1,102	2,954	2,954
Capri	436	315	751	256	751
Marquis	2,601	1,900	1,533	4,134	4,134
Cougar	3,306	273	2,031	5,337	5,337
Grand Marquis	1,430	1,593	782	2,212	2,212
Topaz	1,465	636	2,101	596	2,101
Lincoln Total	3,614	3,238	2,117	5,731	6,382
Continental	652	614	387	1,030	1,030
Lincoln	2,561	812	1,499	4,060	1,594
Mark VII	401	1,812	231	632	3,572
GENERAL MOTORS	108,603	95,781	67,333	175,936	184,286
Buick Total	21,584	20,040	19,947	35,531	39,120
Skylark	2,385	1,873	4,258	2,720	4,258
Skylark	1,880	3,879	1,414	3,274	6,983
Somerset Regal	2,160	1,334	3,494	3,494	3,494
Century	4,519	4,072	2,952	7,471	7,471
Regal	2,970	4,818	1,680	4,650	4,650
LeSabre/Electra	4,344	5,733	2,836	7,180	10,396
Riviera	1,421	1,265	710	2,131	2,131
Electra (hwd)	1,925	273	1,146	3,073	481
Cadillac Total	8,215	6,968	4,837	13,052	13,052
Cimarron	566	524	267	833	874
Seville	956	700	481	1,656	1,329
Eldorado	1,790	1,355	891	2,681	2,681
Cadillac (hwd)	1,069	3,882	1,051	2,120	7,853
DeVille (hwd)	3,834	207	2,147	5,961	414
Chevrolet Total	39,671	33,335	25,479	65,150	62,034
Chevette	3,578	4,379	2,456	6,034	7,754
Cavalier	10,726	8,862	7,349	18,075	16,000
Celebrity	5,971	5,474	3,558	9,529	10,129
Camaro	5,252	5,288	3,166	8,418	9,973
Citation	1,615	1,609	1,354	2,969	3,381
Malibu/El Camino	630	479	256	886	967
Monte Carlo	2,348	4,156	1,388	3,736	7,827
Chevrolet	8,551	2,317	5,346	13,899	4,594
Corvette	1,000	789	604	1,604	1,604
Oldsmobile Total	26,119	24,774	16,311	42,430	40,023
Omni	1,397	1,397	1,397	1,397	1,397
Firenze	1,585	1,852	1,177	2,772	2,772
Cougar Supreme	4,020	7,751	2,374	6,394	14,267
Cougar Clera	7,718	4,775	5,198	12,916	9,598
85/98 (hwd)	5,738	9,374	3,500	9,238	18,015
Olds 98 (hwd)	3,059	188	1,732	4,851	484
Cadillac	2,931	1,740	4,671	4,671	4,671
Toronado	1,058	834	530	1,588	1,588
Pontiac Total	13,014	10,964	6,759	19,773	21,064
Acadian	280	80	80	243	80
2000 Sunbird	3,164	3,529	2,192	5,356	6,024
1000	487	683	427	914	1,365
Firebird	2,775	1,993	1,546	4,321	4,321
Phoenix	408	408	408	894	894
Grd. Prix/Bon/Vie	1,485	1,485	1,485	2,672	2,672
6000	333	126	459	459	459
Parisienne	1,590	444	1,085	2,655	877
Fiero	2,400	2,132	2,400	4,352	2,400
Grand Am	2,265	1,323	3,588	3,588	3,588
HONDA	3,620	2,253	1,846	5,466	4,247
NISSAN (Novel)	200*	200*	200*	400*	400*
VOLVO	2,050	2,367	1,078	3,128	4,218

Total Cars, U.S.	185,283	150,035	111,682	296,965	285,648
Total Cars, Canada	19,982	18,851	11,441	31,423	31,423
N. American Cars	205,265	168,886	123,123	328,388	326,388
N. American Trucks	82,551	75,752	48,890	131,441	131,441
North American Cars and Trucks	287,816	244,638	172,013	459,829	457,829

* — All models are built for sale in Canada.

Honda, Mazda add 4WD units

TOKYO.—Four-wheel-drive vehicles are rapidly entering the marketplace in Japan, according to the Japan Automotive News.

Honda has introduced, for the home market, a 4WD station wagon, the Civic Shuttle, with a part-time 4WD system. Its 5-

speed manual transmission has an interlock which makes first gear a "super low gear" for use with 4WD.

Mazda has added 4WD versions to its Bongo station wagon and van lines. Standard equipment includes free-wheeling hubs.

Automotive News

January 21, 1985

© Entire contents copyright, 1984, by Crain Automotive Group, Inc. All rights reserved. Reproduction or use of editorial content in any manner without permission is strictly prohibited.

60th year—\$45 per year, \$1.00 per copy

Biggest transformation since days of Durant and Sloan

GM: A new kind of global conglomerate

By Marjorie Sorge, Edward Lapham and Michelle Krebs
Of the Automotive News staff

General Motors is undergoing its biggest transformation since William C. Durant and Alfred P. Sloan shook up the automotive world, and the New General Motors Corp. will change the way worldwide business is done.

GM has rewritten the definition of conglomerate. The New General Motors Corp. will be a fully integrated global—or even intergalactic—conglomerate with

consistent pieces, unlike the traditional definition in which a company owns totally unrelated businesses.

Those pieces will not only circle the GM network and change the way suppliers, dealers and the rest of the auto industry do business, but will reach far beyond that into all of the industrial world.

As it emerges from its restrictive cocoon, this sleeping giant will become an international industrial juggernaut.

What GM has done under the leadership of Chairman Roger B.

Smith and President F. James McDonald is to take the old Durant/Sloan business concept, update it and expand it for the high-tech diversification of the 1980s and beyond.

Durant and Sloan were former

GM leaders who revolutionized the automotive business.

Their concept, adopted by almost every industrial base in the world, involved a central staff which oversees and administers separate profit center line

operations.

In the past, GM used the line-staff concept strictly for its automobile business. Now, the automobile business will be the center of the emerging

Continued on Page 68, Col. 1

News Analysis

Dealer shop volume shows monthly gain

By Francis J. Gawronski
Service Editor

Service and parts business in new-car dealerships across the country continued on the upswing—but at a slower growth rate—for the second consecutive month in November.

Shop business recorded its first decline in 18 months in September.

According to the Automotive News Service Index, shop business at dealerships in November amounted to 110.2 percent of the volume recorded in the same month in 1983.

In October, shop business was 18.5 percent ahead of the volume in the same month the year before. In September, service and parts business dipped to 98.3 percent of the volume reported for the same month in 1983.

All five indicators used in the Service Index registered healthy gains in November, led by shop parts sales—those used on both customer-paid and warranty work—which climbed 15.9 percent over the year-earlier volume.

The next best showing was that of total labor sales (customer-paid

and warranty jobs), up 13.8 percent, followed by gross profit on all labor, parts and accessory sales which was up 12.2 percent. This is the most important indicator from the dealer's viewpoint.

Sales of all parts and accessories were up 8.6 percent in November, while repair orders written increased 6.1 percent over the volume reported for the same month a year ago.

Figures used in the Service Index are averages compiled from reports on shop operations submitted by a cross-section of the nation's new-car dealers.

For the first 11 months of 1984, service and parts business was 114.5 percent of the volume for the same period of 1983. Business for the 10-month period was 115.5 percent above the year-ago volume.

Shop parts sales showed an increase of 20.6 percent for the January-November period, while total labor sales advanced 16.0 percent and sales of parts and accessories were up 15.6 percent.

Gross profit was up 15.5 percent for the period, while repair orders written climbed 7.1 percent.

Cooperative car



Russian Lada by Porsche

Next year, a modern Lada with an aerodynamic body and a fastback will be launched. The Russian engineers had their German colleagues at Porsche in Stuttgart, West Germany, develop the new three-door compact car. The light metal transverse engine is completely new; three versions probably will be offered. The Russians plan to build 350,000 of these cars annually.

breaking news

GM, Spanish truck maker to study linkup

DETROIT.—General Motors has signed a memorandum of understanding with ENASA, Spanish truck manufacturer, and INI, its parent firm, to explore "a possible business relationship." GM said it hopes a joint study can be completed by April 30 and that a decision on any proposal can be made by June 30. ENASA's full line of light and heavy trucks and buses will be included in the study, GM said.

China plans auto extravaganza

SHANGHAI.—China, in line with a policy to expand foreign trade, plans a seven-day automotive exhibition and seminar next July 3-9 in Shanghai. Exhibitors, in addition to displaying their products, will conduct seminars on products and technologies. The affair has been named Automotive China '85.

Used-car market softens, GM employees don't pick up new ones

1985 Corvettes piling up for some dealers

By Richard Johnson
Detroit Reporter

General Motors employees who cancel orders placed for new Corvettes under the company's employee discount program may be responsible for an oversupply of 1985 models at some Chevrolet dealerships.

With the market for used 1984 Corvettes reportedly soft, some dealers catering heavily to GM workers say they are being burned because employee-plan customers can't unload their year-old cars. The result is that Corvettes are piling up on their lots.

Even some Chevy dealers who say they aren't affected by cancellations report heavier inventories than usual this winter. However, a Chevrolet spokesman said daily build rates at the Bowling Green (Ky.) Corvette plant have fallen short of sales levels since the 1985 model run began.

The Corvette inventory could also be dissipated quickly by a strike that began last Wednesday, Jan. 16, at the 1,600-employee Bowling Green plant. The UAW local struck principally over what it considered to be punitive work assignments at the facility. Altogether, the union reported 28 outstanding issues.

Shortly after the strike began last week, a spokesman for the Chevrolet-Pontiac-GM of Canada group said he was not sure how

quickly the work stoppage could affect supplies.

"I understand we are selling them almost as fast as we can build them," he said. "I would think it wouldn't take too long before they dried up."

A UAW spokesman in Detroit predicted that the walkout would not last long.

"There is a lot of pressure on the company to wrap this up because it is a profitable model," he said. "Our people understand that. They should be able to work it out in pretty short order."

Before the strike, some Chevrolet dealers were reporting an unexpected abundance of Corvettes.

"GM employees are ordering them and then not picking them up because they can't sell their '84s," said Andy Macik, sales

manager at Jefferson Chevrolet, Detroit. "Some of those people will buy a new one every year and try to get all their money back when they sell it. They thought they could have their cake and eat it, too."

When owners of 1984s find they cannot get their asking prices, Macik said, they simply forego the 1985 models they had ordered to spec.

"They don't pick them up," he said. "They don't even call you. It's terrible. They get first preference, even ahead of a sold order, and they get a break on prices. The legitimate buyer has to wait in line."

"The factory is happy because the cars are paid for by the dealer," he added. "We sit with them all winter, hoping somebody

Continued on Page 53, Col. 1

SERVICE INDEX

110.2*

Nov., '84 11 mos., '84
vs.
Nov., '83 11 mos., '83

Gross Profit on All Labor and P&A Sales	+12.2%	+15.5%
Repair Orders Written	+6.1%	+7.1%
Total Labor Sales (Customer & Warranty)	+13.8%	+16.0%
Shop Parts Sales (Customer & Warranty)	+15.9%	+20.6%
Sales of All Parts and P&A	+8.6%	+15.6%

*Survey by Automotive News shows that dealer's service and parts business in November, 1984, was 110.2 percent of business in November, 1983. Service business in the 11 months of 1984 was 114.5 percent of business in the corresponding period in 1983.

Best total since 1966 for early January

Sales up 28 pct. as year opens

By Jenny L. King
Detroit Reporter

U.S. car makers and their dealers got the New Year off to a remarkable start by posting a Jan. 1-10 sales total 28 percent ahead of the year-ago number and chalking up the best early-January sum since 1966.

In a period historically characterized by widely varying sales, ranging from 93,235 in 1975 to 202,453 in 1966, the strong showing bodes well for the months ahead.

The total for the domestic industry this year was 190,869, up 27.98 percent from 149,136 in 1984. On a daily-rate basis, sales were up 11.99 percent, to an average of 23,859 for each of eight days from 21,305 for seven days in

1984.

Chrysler Corp. reported the largest sales gain among the Big Three auto makers: Up 45.85 percent to 24,699 from 16,935. Ford Motor Co. had a 38.84-percent increase, climbing to sales of 45,362 from 32,673 a year earlier. General Motors sales numbered 111,905, up 22.32 percent from 91,488.

Honda pushed its way past American Motors to take fourth place among the domestics. Honda's 4,478 total for the period was up 55.70 percent from 2,876. AMC dropped 16.69 percent, to 3,270 from 3,925, and Volkswagen dipped 6.78 percent, to 1,155 from 1,239.

GM's share of the Jan. 1-10 domestic market was 58.63 per-

cent, down from 61.35 percent in 1984. Ford earned 23.77 percent, up from 21.90 percent. Chrysler claimed 12.94 percent, up from 11.36 percent, and Honda had 2.35 percent compared with 1.93 percent. AMC slipped to 1.71 percent from 2.63 percent, and VW held 0.60 percent, down from 0.83 percent.

Buick announced record sales for the period, its 18,248 tally breaking the former record of 18,025 set just 12 months earlier. Cadillac, which had a record for the period in 1984, fell behind this time and was the only GM make to fail to surpass 1984. Cadillac was down 38.52 percent.

Chevrolet was up 51.11 percent, Oldsmobile was up 17.67 percent and Pontiac was up 39.07 percent.

At Chrysler Corp., Dodge was up 52.11 percent, Chrysler was up 50.27 percent and Plymouth was

Continued on Page 68, Col. 4

NADA HOTEL HEADQUARTERS

Car and Truck Makers & Associations

ALFA ROMEO—San Francisco Hilton & Tower	GM PARTS—Fairmont
AMERICAN INTERNATIONAL AUTOMOBILE DEALERS ASSN.—Westin St. Francis	HONDA—Hyatt Regency San Francisco
AMERICAN MOTORS—Stanford Court	HYUNDAI—Hyatt Regency San Francisco
AURORA CARS—Sheraton Palace	ISUZU—Hyatt on Union Square
AUTOMOTIVE ORGANIZATION TEAM—San Francisco Hilton & Tower	IVECO TRUCKS—Fairmont
BMW—Fairmont	JAGUAR—Fairmont
BUICK—Hyatt Regency San Francisco	MAZDA—Stanford Court
CADILLAC—Hyatt Regency San Francisco	MERCEDES-BENZ—Fairmont
CHEVROLET—San Francisco Hilton & Tower	MITSUBISHI—Hyatt Regency San Francisco
CHRYSLER—Fairmont Hotel	NATIONAL ASSN. MOTOR VEHICLE BOARDS & COMMISSIONS—The Mark Hopkins
CHRYSLER CREDIT—Fairmont Hotel	NISSAN—Westin St. Francis
FORD MOTOR CO.—Hyatt Regency San Francisco	NORTHWOOD INSTITUTE—Fairmont
FORD MOTOR CREDIT—San Francisco Hilton & Tower	OLDSMOBILE—Fairmont
GMAC/MIC—Westin St. Francis, Hyatt Regency San Francisco	PEUGEOT—Westin St. Francis
GM OF CANADA—Hyatt Regency San Francisco	PONTIAC—Fairmont
GMC TRUCK—San Francisco Hilton & Tower	ROLLS-ROYCE—Stanford Court
	SAAB-SCANIA—Fairmont
	SUBARU—Hyatt on Union Square
	TOYOTA—Westin St. Francis
	VOLKSWAGEN OF AMERICA (VW & AUDI)—Westin St. Francis
	VOLVO—Mark Hopkins
	YUGO AMERICA, INC.—San Francisco Hilton & Tower

DOMESTIC SALES

	Jan. 1 10, 1985	Jan. 1 10, 1984
Renault		
Alliance-Encore	2,870	3,140
AMC	400	785
AMERICAN MOTORS	3,270	3,925
Chrysler	7,479	4,977
Plymouth	7,868	5,810
Dodge	9,352	6,148
CHRYSLER CORP.	24,699	16,935
Ford	30,047	21,644
Mercury	11,015	8,597
Lincoln	4,300	2,432
FORD MOTOR CO.	45,362	32,673
Buick	18,248	18,025
Cadillac	5,229	8,505
Chevrolet	40,988	27,124
Oldsmobile	28,458	24,185
Pontiac	18,982	13,649
GENERAL MOTORS	111,905	91,488
VOLKSWAGEN	1,155	1,239
HONDA	4,478	2,876
U.S. INDUSTRY		
TOTAL	190,869	149,136

Schedule of events

Day by day at NADA convention

Saturday, Jan. 26

8 a.m. to 5 p.m.

Registration. Lobby level, Moscone Center.

8:30 a.m. to 2:45 p.m.

Equipment Exposition. Exposition Hall, Moscone Center.

3 p.m. to 5 p.m.

Formal opening of the 68th Annual Convention. Civic Auditorium. (Buses leave from Moscone Center.)

Time Magazine Quality Dealer Awards.

Introduction of 1984 officers.

President's report—James P. Jennings, 1984 president.

Keynote speaker—H. Ross Perot.

Sunday, Jan. 27

9 a.m. to 5 p.m.

Registration. Lobby level, Moscone Center.

9 a.m. to 2:30 p.m.

Equipment Exposition. Exposition Hall, Moscone Center.

9:30 a.m. to 10:30 a.m.

Nondenominational Worship Service with Lou Holtz as inspirational speaker.

11 a.m. to 12:15 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

1 p.m. to 4:30 p.m.

San Francisco city tour. Buses depart from Moscone Center.

1 p.m. to 5 p.m.

Oriental Fantasy tour. Buses depart from Moscone Center.

1:00 p.m. to 5 p.m.

Muir Woods/Sausalito tour.

Buses depart from Moscone Center.

1:30 p.m. to 5 p.m.

Victorian Homes tour. Buses depart from Moscone Center.

2:30 p.m. to 3:45 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

4 p.m. to 5:15 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

Monday, Jan. 28

9 a.m. to 5 p.m.

Registration. Lobby level, Moscone Center.

Equipment Exposition. Exposition Hall, Moscone Center.

9 a.m. to 10:15 a.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

9 a.m. to 5 p.m.

Wine Country tour. Buses depart from Moscone Center.

10 a.m. to 11:30 a.m.

Ladies Game Show with Dennis James as host. Civic Auditorium. (Buses depart from Moscone Center.)

11 a.m. to 12:15 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

1 p.m. to 4:30 p.m.

San Francisco city tour. Buses depart from Moscone Center.

1 p.m. to 5 p.m.

Oriental Fantasy tour. Buses depart from Moscone Center.

Muir Woods/Sausalito tour.

Buses depart from Moscone Center.

Flowers and Gardens tour.

Buses depart from Moscone Center.

Victorian Homes tour. Buses depart from Moscone Center.

2:30 p.m. to 3:45 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

4 p.m. to 5:15 p.m.

NADA workshops and make meetings. Mezzanine and Ballroom levels, Moscone Center.

Tuesday, Jan. 29

8 a.m. to 11 a.m.

Registration. Lobby level, Moscone Center.

8:30 a.m. to 11 a.m.

Equipment Exposition open for FINAL DAY. Exposition Hall, Moscone Center.

9 a.m. to 10:15 a.m.

NADA workshops.

11 a.m. to 12:30 p.m.

NADA General Session. Grand Ballroom, Moscone Center.

Presentation of 1985 officers.

President's acceptance speech—William J. Symes.

Guest speaker—George Will.

1 p.m. to 4:30 p.m.

San Francisco city tour. Buses depart from Moscone Center.

7 p.m.

NADA Diamond Reception and Dinner for DEAC contributors, featuring Comedian Danny Gans and Les Brown and His Band of Renown.

NADA Convention Guide

San Francisco—Jan. 26-29

Automotive News Headquarters
Equipment Exposition, Booth 2001

Hospitality Suites

Car and Truck Makers, Suppliers

ALFA ROMEO, INC.—San Francisco Hilton & Tower, Jan. 26-28, 4:30-7:30 p.m.

BMW OF NORTH AMERICA—Fairmont Hotel, Crystal Room, Jan. 26-27, 5:30-7:30 p.m. (by invitation)

CAREFREE AUTOMOTIVE REPAIR SERVICE—Westin St. Francis, Jan. 25, 5 p.m., and Hotel Meridian San Francisco, Jan. 26-28, 5 p.m. (by NADA badge)

DCI COMPUTER SYSTEMS, INC.—Hotel Meridian San Francisco, Gamay Room, Jan. 26-28, 6-10 p.m. (by NADA badge)

HYUNDAI MOTOR CO.—Hyatt Regency San Francisco, Jan. 26-27, 5-10 p.m. (by NADA badge)

JAGUAR CARS, INC.—Fairmont Hotel, Jan. 26-27, 5-8 p.m.

LYONS CAPITAL RESOURCES, INC.—

The Mark Hopkins, George D. Smith Room, Jan. 26-28, 5-8 p.m.

MITSUBISHI MOTOR SALES OF AMERICA—Hyatt Regency San Francisco, Jan. 26, 5:30-7:30 p.m.; Jan. 27-28, 4-7 p.m. (by invitation only)

SNAP-ON-TOOLS—San Francisco Hilton & Tower, Jan. 26, 6:30-9:30 p.m. (by NADA badge)

THERMO-GUARD, INC.—Marriott at Fisherman's Wharf, Mendocino Room, Jan. 26-27, 5-6:30 p.m.; Jan. 28, 6-7:30 p.m. (by NADA badge)

VOLKSWAGEN OF AMERICA, INC., VW & AUDI DIVISIONS—Westin St. Francis, Jan. 25, 3-7 p.m.; Jan. 26-28, 12:30-6 p.m. (by invitation only)

YUGO AMERICA, INC.—San Francisco Hilton & Tower, Jan. 26-29, 12:00 noon-6 p.m.

Special Functions

Saturday, Jan. 26

Brunch—TIME Magazine Quality Dealer Awards, The Mark Hopkins, Peacock Court, 9 a.m.-noon (by invitation only).

Reception—Aurora Cars, Sheraton Palace, Concert Room, 5:30-8 p.m. (by NADA badge)

Reception—Mechanical Insurance Associates, San Francisco Hilton & Tower, Embarcadero Room, 5:30-7:30 p.m. (by NADA badge)

Reception—Buick Motor Division, Hyatt Regency San Francisco, Golden Gateway Ballroom, 6-8 p.m. (by invitation only)

Reception—Citicorp Acceptance Co., Inc., The Mark Hopkins, Peacock Court, 6-8 p.m. (by invitation only)

Reception—Clarion, Hyatt on Union Square, Plaza Square Ballroom, 6-8 p.m. (by invitation only)

Reception—Iveco Trucks of North America, Fairmont Hotel, French Room, 6-8 p.m. (by NADA badge)

Reception—Pontiac Motor Division, Fairmont Hotel, Grand Ballroom, 6-8 p.m. (by invitation only)

Reception—Ryan Insurance, Fairmont Hotel, Gold Room, 6-9 p.m. (by invitation only)

Reception—Universal Underwriters Insurance Co., San Francisco Hilton & Tower Continental Ballroom, 6-9 p.m. (by NADA badge)

Sunday, Jan. 27

Breakfast—Fellowship of Christian Automobile Dealers, Fairmont Hotel, Crystal Room 8-9 a.m. (by NADA badge)

Breakfast—Northwood Institute Dealer Education Awards, Fairmont Hotel, Gold Room 8-10 a.m. (by invitation only)

Breakfast—General Motors Parts Alumni Dealer Advisory Council, Fairmont Hotel Terrace Room, 8:30-10:30 a.m. (by invitation only)

Luncheon—Automotive Hall of Fame 46th Annual Luncheon, San Francisco Hilton & Tower, Continental Ballroom, noon-2 p.m. (ticket necessary)

Reception—J. Walter Thompson, Lily's of San Francisco, noon-6 p.m. (by NADA badge)

Reception—Volvo of America Corp., The Mark Hopkins, Peacock Court, 4-8 p.m. (by invitation only)

Reception—General Motors of Canada, Hyatt Regency San Francisco, San Francisco Room, 5-8 p.m. (by invitation only)

Reception—Chrysler Corp. Chrysler Credit Corp., Fairmont Hotel, Grand Ballroom 5:30-7:30 p.m. (by invitation only)

Reception—American Isuzu Motors, Inc., Hyatt on Union Square, Plaza Square Ballroom, 6-9 p.m. (by invitation only)

Reception—Ford Motor Co., Hyatt Regency San Francisco, Golden Gateway Ballroom 6-8 p.m. (by invitation only)

Reception—Motors Holding Division, Westin St. Francis, Georgian Room, 6-8 p.m. (by invitation only)

Reception—Rolls-Royce Motors Inc., Stanford Court, Blue Room, 6-9 p.m. (by invitation only)

Reception—Saab-Scania of America, Inc., Westin St. Francis, Elizabethan Room 6-9 p.m. (by NADA badge)

Reception—Toyota Motor Sales, U.S.A., Westin St. Francis, Grand Ballroom, 6-8 p.m. (by invitation only)

Reception—Rusty Jones, Inc., San Francisco Hilton & Tower, Franciscan Room 6:30-9:30 p.m. (by NADA badge)

Reception—American Motors Corp., Stanford Court, Stanford Ballroom, 6:30-8:30 p.m. (by invitation only)

Reception—Cadillac Motor Car Division reception and black-tie dinner, Giftcenter Pavilion, San Francisco, 6:30-11:30 p.m. (by invitation only)

Reception—Chevrolet Motor Division, San Francisco Hilton & Tower, Continental Ballroom, 6:30-8:30 p.m. (by invitation only)

Reception—Peugeot Motors of America, Westin St. Francis, California West, 7-11 p.m. (by invitation only)

Reception/Dinner—Karl Singer & Assoc., Fairmont Hotel, Gold Room, 8:30 p.m. (by invitation only)

Monday, Jan. 28

Breakfast—American Honda Motor Co., Inc., Hyatt Regency San Francisco, Embarcadero Room, 7:30-9 a.m. (by invitation only)

Breakfast—National Assn. of Motor Vehicle Boards & Commissions, The Mark Hopkins, Room of the Dons, 8-10 a.m. (by invitation only)

Breakfast—Nissan Motor Corp. in U.S.A., Westin St. Francis, Grand Ballroom 8:30-10 a.m. (by invitation only)

Reception/Luncheon—American International Automobile Dealers Assn., Westin St. Francis, Grand Ballroom, 11:30 a.m.-2:30 p.m. (tickets: \$40 per person)

Reception—Oldsmobile Division, Fairmont Hotel, Grand Ballroom, 5-8 p.m. (by invitation only)

Reception—Nissan Motor Corp. in U.S.A., Westin St. Francis, Grand Ballroom 5:30-7:30 p.m. (by invitation only)

Reception—Ford Motor Credit Co., Ford Life Insurance Co., Gaslight Room reception, San Francisco Hilton & Tower, Continental Ballroom, 5:30-8 p.m. (by invitation only)

Reception—Mazda Motors of America, Stanford Court, Stanford Ballroom, 6-8 p.m. (by invitation only)

Reception—Mercedes-Benz of North America, Inc., Fairmont Hotel, Gold Room, 6-8 p.m. (by invitation only)

Reception—General Motors Acceptance Corp., Motors Insurance Corp., Hyatt Regency San Francisco, Lobby Area, 6:30-8:30 p.m. (by invitation only)

Continued on Page 70, Col. 4

Stockpile is 32½ days

Imported-car supply highest in 19 months

By Kathleen Hamilton
Assistant Managing Editor

The inventory of new imported cars in port and dealer inventories reached a 19-month high on Jan. 1, as December sales slowed and importers tried to replenish their sparse stockpiles.

They succeeded only marginally, raising their average days-supply from 27 days to 32½. The ideal import stockpile is roughly 60 days.

The latest days-supply figure is, however, the highest since June 1, 1983, when there were 33 days' worth of cars in stock. On Jan. 1, 1984, there was a 30-day supply of import cars in stock.

The latest count translates into a unit count of 259,933—also the highest since June 1, 1983, when there were 275,411 imported cars in stock. The Dec. 1, 1984, stockpile was 232,152 units; the Jan. 1, 1984, figure was 223,527.

The supply of imported trucks—114,485 units—marked a two-year high point and translated into a 36-day supply, still short by industry standards. One month earlier, there were 98,396 new imported light trucks in inventory, but they were selling slower then, so that stockpile was a 41½-day supply.

On Jan. 1, 1984, there were 81,-

748 import trucks in stock, worth 47 days. (All truck inventory figures include Nissan's Tennessee-built units.)

Combining cars and trucks, this year opened with 374,418 units in inventory, or 36 days' worth. One month earlier, there were 330,548 units, worth 32 days. The year-earlier figures were 305,275 units and 33 days.

The German makes were the only autos to show an increase in their sales rates during December, but they increased shipments, too, so January's days-supply level stayed steady with December's.

The sales rates of both Japanese and European makers other than the Germans dropped but shipments stayed roughly steady, resulting in increased days-supply levels.

The Japanese makes accounted for 62.08 percent of all import cars in stock; German cars, 27.17 percent, and cars from other European countries, 10.75 percent.

One month earlier, the shares were Japanese, 61.81 percent; German, 25.83 percent, and other countries, 12.36 percent.

The year opened with the Japanese cars averaging a 26-day supply. The days-supply figures by make: Subaru, 12; Toyota, 15; Honda imports, 17½; Mitsubishi, 22; Nissan, 35½; Mazda, 36½, and Isuzu, 74.

In addition, the Mitsubishi-

AutoWorld closes

FLINT.—Six Flags AutoWorld has closed temporarily, due to a less-than-anticipated 1984 attendance figure of 460,000 and the related financial losses.

Symes sees a year of tough competition, narrower margins

Meet NADA's president: A man for the times

By Robert M. Lienert
Editor

William J. Symes, 64, is a man for the times.

He is successful. He is a native Californian. He is a Cadillac dealer. He is a communications professional. He is probably the ideal pick as 1985 president of the National Automobile Dealers Assn.

Things are going great for Bill



Jim Williams/Photo

Looking ahead

Incoming NADA president William J. Symes says 1985 could well see tougher competition and narrower margins.

built imports marketed by Chrysler Corp. averaged a 48½-day supply: Dodge Colt, 39½; Plymouth Colt, 43; Plymouth Vista, 57; Dodge Vista, 59; Plymouth Conquest, 123, and Dodge Conquest, 136½. Chevrolet's captive imports averaged a 125-day supply: 38 for the Suzuki-built Sprint and 203½ for the new Isuzu-built Spectrum.

German makes had an average of 53 days' supply: Mercedes-Benz, 21; Porsche, 43; BMW, 59½; Volkswagen imports, 64, and Audi, 78.

There was a 55½-day supply of cars from other European countries: Jaguar, 6; Saab, 27; Peugeot, 39; Maserati, an estimated 40 days; Alfa Romeo, 59; Volvo, 80, and Renault, 195.

Japanese-built light trucks and their days' supplies: Mitsubishi, 23; Mazda, 32½; Toyota, 35; Nissan, 56; Isuzu, 68; Chrysler, 71.

Losh wants it exclusive for his division

Pontiac studies new wagon type

By Marjorie Sorge
and Joseph Bohn

Of the Automotive News Staff

Pontiac may produce a station-wagon-like vehicle in the future and hopes it can sell enough to keep the vehicle exclusive, according to J. Michael Losh, Pontiac general manager.

Station wagons, he said, are continuing as an important part of Pontiac's sales volume, and "we don't think that's going to change."

"The thing that is perhaps changing," he said, "is: What is a station wagon? Or what kind of vehicle best fulfills the needs of a person who has traditionally bought a conventional station wagon? So we're taking a hard look at that," Losh added.

He said a vehicle of this type is needed to round out Pontiac's



Eurosport goes all white

An all-white Eurosport has joined the Chevrolet Celebrity lineup. It is available at the same price as the regular Eurosport option and has such exclusives as white body paint, white bezel trim, white grille, white painted bumpers, white body-side/bumper-rub strip moldings with red accents, white bumper center filler panel, white door handle inserts and white rally wheels.

product lineup, especially since the minivan has taken off in the market.

The small passenger van is "something that's receiving a lot of attention at Pontiac right now, and for the reasons you would expect," Losh added.

And, he said, Pontiac will have a family-size car into the 1990s, although it may not be rear-wheel-drive.

Pontiac is also hoping to increase its sales more than 20 percent in the first quarter of 1985 and will increase its Grand Am production by about 750 a month for the balance of the 1985 model year, he said. Grand Am output currently is about 4,000 a month.

According to Losh, the Grand Am was initially supposed to account for about 28 percent of

the total GM20 sales, but the Grand Am share jumped to 38 to 40 percent. The GM20 cars are the Grand Am, the Oldsmobile Calais and the Buick Somerset Regal. Pontiac currently has about 90,000 unfilled orders for the Grand Am, he said.

In addition, Pontiac is planning to sell about 50,000 V-6 Fieros in 1985. That engine was added a few months ago. Pontiac sold 93,485 L-4 Fieros in 1984.

Meanwhile, Grand Am is splitting the demographic goal posts exactly as Pontiac wanted. Early data shows the average buyer is 35 years old; one-third of buyers are single, and one-half of them are female.

Buyers are well-educated and are attracted to the car chiefly because of its design, followed by

Continued on Page 68, Col. 1

IMPORT STOCKS

	Jan. 1, 1985	Dec. 1, 1984	Jan. 1, 1984
Honda	17½	11	24
Isuzu	74	56	45
Mazda	36½	37	36
Mitsubishi	22	17	33
Nissan	35½	29	26
Subaru	12	16	33
Toyota	15	13	10
Chevrolet	125	126	.....
Chrysler	48½	52	69
JAPANESE MODELS	26	23	24
Audi	78	73	29
BMW	59½	80	56
Mercedes-Benz	21	8	26
Porsche	43	60	17
VW	64	69	82
GERMAN MODELS	53	53	48
Alfa Romeo	59	66	36
Jaguar	6	16	15
Maserati**	40	40	.....
Peugeot	39	38	52
Renault	195	169	84
Saab	27	28	36
Volvo	80	39	71
OTHER MODELS	55½	47	56
TOTAL IMPORT	32½	27	30
CARS	68	77	52
Isuzu	32½	32	21
Mazda	23	26	82
Mitsubishi	56	45	67
Nissan	35	32	39
Toyota	71	70	98
Chrysler	45	41½	47
TOTAL IMPORT	36	32	33
TRUCKS	.....	.....	.....
TOTAL IMPORT	.....	.....	.....
VEHICLES	.....	.....	.....

*Includes domestic trucks

**Estimate

index

Auction reports	54, 55
Automotive World News	39
Classified advertising	56
Editorial page	10
Engineering	24
Obituaries	68
Production by makes	71
Registrations, car	66
Truck highlights	18

60th year—No. 5058

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except biweekly the fourth week in April at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

running well and we'll continue those—and the Dealer Candidate Academy.

"And I plan to work harder than in the immediate past on public relations."

A major thrust of the new emphasis on public relations will be an attempt to upgrade the public image of the dealer.

"Our image is not what it could be and that's not justly so," he says. "In the area of public relations, we want to get the word out that dealers are good citizens and good people. We are well aware that if you walk out on the sidewalk and poll (the public), we don't rate very high. I'd like to see us improve that, improve that by getting dealers more active in

their communities and let the people realize that the dealer is a good citizen."

He'd like to see an upgrading of showroom tactics, too.

"Buying a new car ought to be a pleasant, exciting experience for the customer and it should be an enjoyable and profitable experience for the dealer," he says.

Symes also is vocal on the need to improve customer satisfaction.

"The manufacturers are work-

Continued on Page 32, Col. 1



Good from lean

Dealers had a good year in 1984 because they learned a lot in lean years, and that helped profits, Symes says.

Is Symes NADA's first Cadillac solo?

PASADENA, Calif.—William J. Symes, incoming president of NADA, appears to be the first exclusive Cadillac dealer ever to hold that post.

Records show that six past NADA presidents had Cadillac deals, but there has not been a Cadillac solo in the period for which records are readily available. That goes back to 1939. Symes is also the first Californian to hold the post in more than 50 years. The last time a Californian headed NADA was in 1930. But Californians held the NADA presidency in 1929, 1927, 1925 and 1924.

Symes—and for the industry.

He takes office in the wake of a year that was inordinately successful for dealers and makers alike. Symes has no fear of economic disaster for himself or for new-car retailing in general. He has no concern that his customers are fading from the scene.

How different from some of pushed and pressured new NADA presidents of recent years.

So, even though he matches the mood of the moment, he warns that 1985 may well turn out to be a year of toughened competition and narrower margins. Interest rates are probably going to go up, he says, adding that this probably won't affect dealers very much.

Dealers had a good year in 1984 because they learned a lot in the recent lean years, he says.

"What we learned helped with profits in 1984."

Despite such rampant optimism, Symes expects 1985 to be a year of continuing battles. He thinks NADA will play a leading role in working on the issues of fleet subsidies, odometer legislation, the crusade against drunk driving and the buckle-up seat-belt campaign.

He is anxious to get going on all of these.

However, he plans no marked overhaul of NADA operations.

"I think NADA is running well," he says. "Dealership operation programs are also